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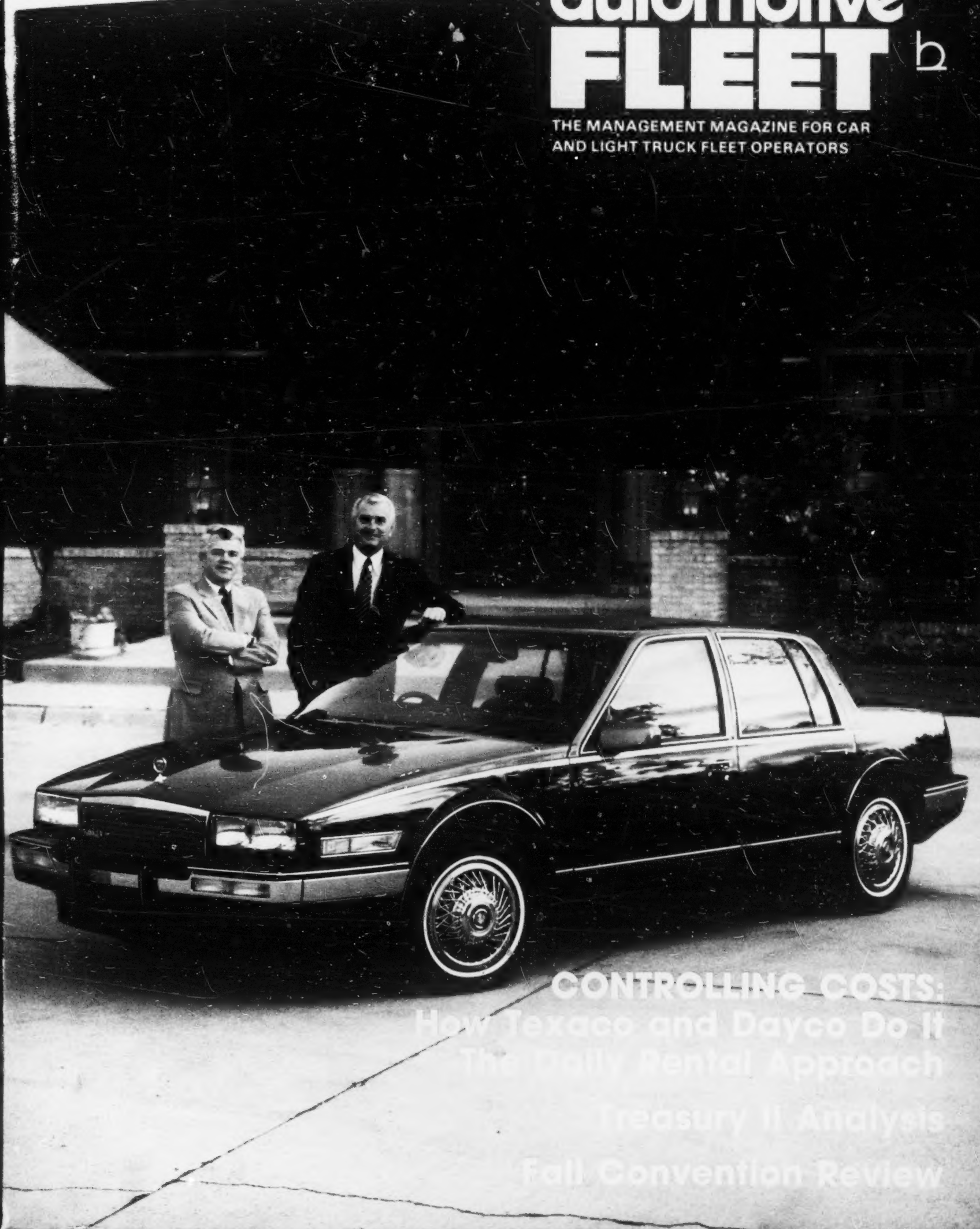
automotive FLEET

THE MANAGEMENT MAGAZINE FOR CAR AND LIGHT TRUCK FLEET OPERATORS



CONTROLLING COSTS:
How Texaco and Dayco Do It

The Daily Rental Approach

Treasury II Analysis

Fall Convention Review

NOVEMBER 1985 VOL. 25, NO. 1

automotive FLEET®

THE MANAGEMENT MAGAZINE FOR CAR
AND LIGHT TRUCK FLEET OPERATORS

Influencing the management of 4,584,000 cars and 1,970,000 light trucks and vans in business, leasing, rental, utility, government, police, and taxi fleets.

FEATURES

Texaco's "Team Approach" To Cost Control p. 24

National Accounts p. 38

Dayco's Fleet Manager: "Stick Your Nose Into Everything" p. 55

Manufacturing Used Cars p. 60

When A Leasing David Links Up With Goliath p. 66

Security In A Limousine p. 76

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On our cover: GM's Cadillac Division is calling this "the most exciting announcement period" in its history. And the biggest excitement surely derives from the 1986 Eldorado and Seville, both downsized, given new suspension systems, and totally restyled. Pictured with the Seville are a proud D.P. John (left), Cadillac fleet and leasing director, and Division General Manager John O. Grettenberger.

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READER UPDATE

Calendar

NOVEMBER

7-10 — National Vehicle Leasing Association's seminar on Marketing and Management, Parker House Hotel, Boston, MA. Information: (213) 477-4287.

11-13 — *Limousine & Chauffeur* Limo Show and Conference, Caesars Palace, Las Vegas, NV. Information (213) 376-8788.

12-14 — National Association of Fleet Administrators' Basic Principles of Fleet Management, Course 110, Phoenix Hilton, Phoenix, AZ.

11-15 — Institute of Traffic & Transportation fall transportation seminars, Holiday Inn, Great Southwest, Arlington, TX. Information: (216) 234-6290.

14-17 — National Vehicle Leasing Association's seminar on Marketing and Management, Amfac Hotel (Airport), San Francisco, CA.

18-20 — Leasemark's Lease Management Training Course, Embassy Suite Hotel, King of Prussia, PA. Information: (215) 827-7758.

19-22 — Fred A. Mudgett & Associates' car rental seminar on Managing for Profit, Sheraton Plaza, Palm Springs, CA. Information: (904) 672-1040.

DECEMBER

9-11 — *Limousine & Chauffeur* Limo Show and Conference, Harrah's Trump Plaza, Atlantic City, NJ.

12 — American Automotive Leasing Association special seminar on Tax Reform, the Future of Leasing, and New IRS Regulations, Hyatt Regency O'Hare, Chicago, IL. Info: (202) 223-2600.

16 — AALA special seminar on Tax Reform, the Future of Leasing, and New IRS Regulations, Philadelphia Airport Marriott, Philadelphia, PA.

Gas Prices

	UNLEADED Cost Per Gallon Unleaded	
City	**Full-Serve**	**Self-Serve**
Juneau, AK	163.4	151.4
Little Rock, AR	149.0	114.9
Santa Barbara, CA	158.4	120.4
Key West, FL	151.4	131.4
Honolulu, HI	164.6	151.0
Minneapolis, MN	157.7	125.6
St. Louis, MO	136.2	109.7
Gulfport, MS	150.4	123.9
Jamestown, ND	152.4	135.4
New York City	131.9	119.9
Dayton, OH	131.4	107.4
Beaumont, TX	138.4	109.9
Yakima, WA	169.9	137.9

Survey conducted during the first five working days of October, 1985.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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One Way to Reduce Costs...

...National Accounts

Fleet maintenance costs can be reduced by 10 to 25 percent using national accounts programs offered by lessors. If you're not in such a program it means you're probably paying dealers or independents *at least* an extra 10 percent for service work.

There is usually no charge to participate in a national accounts program other than the cost of the incurred service work.

"A national accounts program consists of a network of vendors such as the major tire companies, transmission, muffler, and glass repair companies," said Jack Reynolds of Leaseway Fleet Management. Vendors are selected by a leasing company to meet its various fleets' needs from tires to major mechanical repairs.

Most vendors have national accounts programs that offer volume discount pricing. The pricing discounts are designed to entice lessors into authorizing these companies to handle their volume business. The way leasing companies earn money is by being paid a commission from each vendor participating in its national accounts program. Commissions paid by vendors increase with the volume of billings attributable to the leasing company.

National accounts vendors allow fleet customers to be centrally billed at discounted rates by their leasing company. This gives fleet drivers pre-established credit so service work can be completed with simply a work order signature. This eliminates the need for cash advances or reimbursements to drivers of fleet cars.

Recently United States Fleet Leasing compared its national accounts prices with those of over 250 dealerships and independent service facilities in 23 cities. The surveyed cities were selected because they represented a balanced geographic sampling. Based on a re-

"...national account prices are consistently lower."

gional comparison, USFL's national accounts prices were 35 percent below dealerships and 12.5 percent below independent service facilities.

Where national accounts prices may not be competitive is during a sale run at an authorized outlet. Often the discounted sale price is the same or lower than the national account price. Despite this occasional discrepancy, national accounts prices are consistently lower. This is perhaps best documented in the following table outlining USFL's survey of comparative maintenance costs for the past 5 years.

"Just as important for nationwide fleet owners is that the cost of work is the same in Jacksonville as it might be in Cleveland," said Reynolds. Annual directories listing the locations of authorized outlets are supplied by vendors to lessors and their fleet customers.

For fleet managers who have never participated in a national accounts program an additional benefit is the ability to transfer service and product warranties between shops within or outside of the state. Warranties are not restricted to the place of purchase. Dealer and independent warranties are usually only honored at the original repair facility and cannot be transferred to another shop. On the average, national accounts warranties exceed those offered by independent repair shops and dealerships. Finally through a centralized billing, fleet administrators can streamline their ability to control expenses. Individual drivers' purchases are billed directly to the lessor who consolidates all charges into a monthly invoice. The invoices usually itemize services performed for each vehicle.

Since national accounts vendors do not vary their rates to different customers, most leasing company programs are for the most part price competitive. To stand out, some leasing companies are offering supplemental services to their national accounts programs. These 'extras' include a greater selection of vendors, gasoline credit card programs, expense reporting systems, and maintenance coupon books.

Most lessors provide credit cards or purchase orders for completing service work. Another method for performing scheduled service work is with coupon books. Several lessors provide a preventative maintenance coupon book that acts as the equivalent of a preprinted purchase order. With a coupon book the need for a credit card or purchase order for scheduled service work is minimized. AF

Comparative Maintenance Costs

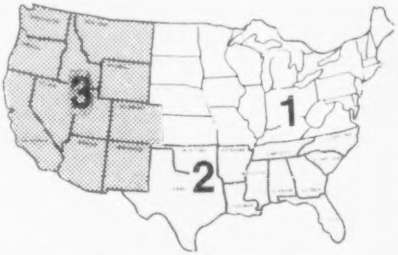
		1980			1981			1982			1983			1984		
Recommended Maintenance[1]		Retail Cost[2]	USFL Cost	Avail. Savings	Retail Cost	USFL Cost	Avail. Savings	Retail Cost	USFL Cost	Avail. Savings	Retail Cost	USFL Cost	Avail. Savings	Retail Cost	USFL Cost	Avail. Savings
At 7,000 miles	$	23.66	15.60	8.06	72.60	35.00	37.66	32.71	30.60	2.11	33.49	29.42	4.07	62.50	39.05	23.45
At 14,000 miles	$	75.83	31.20	44.63	157.33	99.60	57.73	84.25	56.80	27.45	85.81	42.35	43.46	114.36	79.44	34.92
At 21,000 miles	$	230.33	180.60	49.73	274.66	149.55	125.11	219.79	152.00	67.79	204.42	185.30	19.12	66.37	47.24	19.13
At 28,000 miles	$	43.50	15.60	27.90	91.00	52.60	38.40	47.29	23.10	24.19	40.33	21.42	18.91	252.06	200.07	51.99
At 35,000 miles	$	93.16	40.55	52.61	94.66	60.60	34.06	101.40	84.50	16.90	96.57	64.47	32.10	66.37	47.24	19.13
At 42,000 miles	$	405.66	271.90	133.76	465.00	292.55	172.45	308.04	256.70	51.34	204.30	155.30	49.00	114.36	79.44	34.92
At 49,000 miles	$	43.50	15.60	27.90	56.66	15.60	41.06	30.48	25.40	5.08	40.33	21.42	18.91	66.37	47.24	19.13
At 56,000 miles	$	23.66	15.60	8.06	72.33	32.60	39.73	41.04	34.20	6.84	37.15	21.42	15.73	252.06	200.07	51.99
At 63,000 miles	$	43.50	15.60	27.90	50.33	30.60	19.73	47.29	23.10	24.19	43.21	21.42	21.79	66.37	47.24	19.13
TOTALS	**$**	**982.80**	**602.25**	**380.55**	**1,334.63**	**768.70**	**565.93**	**912.29**	**686.40**	**225.69**	**785.61**	**562.52**	**223.09**	**1,060.82**	**787.03**	**273.79**

[1] USFL issues a Preventive Maintenance Coupon Booklet to each fleet-managed vehicle. The coupons follow the manufacturers' recommended service intervals for trouble-free vehicle operation.

[2] Average of dealer and independent service center pricing.

USFL has conducted price surveys for the past ten years, contacting thousands of dealers and independent service centers in the process. Facilities in both large and smaller cities have been selected to provide a good cross-section of labor rates. USFL's identity is never revealed to the service facility. Prices are requested for the specific services listed in USFL's Preventive Maintenance Coupon Booklet so that comparisons between facilities are valid.

Used Cars



The following are average car prices for the period ending October 9, 1985. Prices are based on wholesale activity at major dealer auctions across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically on IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.

	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone 3**
83 AMC ALLIANCE			
Sdn 4DR L Series	3592	3629	3558
83 AMC CONCORD			
Sdn	3762	3797	3724
83 BUICK SKYLARK			
Sdn Custom	4368	4413	4326
82 BUICK SKYLARK			
Sdn	3579	3615	3543
83 BUICK REGAL			
Sdn	5691	5751	5636
Cpe	5851	5908	5795
82 BUICK REGAL			
Turbo Cpe	5226	5277	5172
Cpe	5061	5111	5010
83 BUICK CENTURY			
Sdn Custom	5635	5688	5576
82 BUICK CENTURY			
Sdn Custom	4771	4817	4722
83 CADILLAC			
Cpe DeVille	9688	9786	9593
Sdn DeVille	9633	9730	9536
82 CADILLAC			
Cpe DeVille	8010	8085	7925
Sdn DeVille	7957	8037	7879
83 CHEVY			
Chvt Htchbk 4-Dr	2875	2904	2845
Camaro Cpe 8	6324	6386	6261
82 CHEVY			
Chvt Htchbk 4-Dr	2300	2323	2275
Camaro Cpe 8	5464	5516	5409
83 CHEVY CELEBRITY			
Sdn	5220	5271	5165
82 CHEVY CELEBRITY			
Sdn	4410	4450	4365
83 CHEVY CAVALIER			
Sdn	4418	4462	4372
82 CHEVY CAVALIER			
Sdn	3472	3508	3440
83 CHEVY CITATION			
Cpe 6	3495	3531	3458
82 CHEVY CITATION			
Cpe 6	2707	2735	2677
83 CHEVY MALIBU			
Clas Sdn	5088	5139	5037
Clas Sta Wgn	5296	5349	5242
82 CHEVY MALIBU			
Clas Sdn	4271	4313	4229
Clas Sta Wag	4458	4501	4412
83 CHEVY MONTE CARLO			
Cpe	5912	5971	5853
82 CHEVY MONTE CARLO			
Cpe	4971	5022	4919
83 CHEVY IMPALA			
Sdn	5479	5535	5426
82 CHEVY IMPALA			
Sdn	4374	4419	4334
Wgn 9	4546	4592	4499
83 CHEVY CAPRICE			
Sdn	6136	6195	6074
Sta Wag	6349	6409	6283
83 CHRYSLER			
E-Class Sdn	5219	5271	5167
82 CHRYSLER			
New Yorker Sdn	6368	6433	6306
83 DODGE OMNI			
4 Dr Cust	3329	3363	3297
82 DODGE OMNI			
4 Dr Cust	2531	2557	2505
83 DODGE ARIES			
Cpe	3891	3932	3853
82 DODGE ARIES			
Sdn	2991	3019	2959
83 DODGE DIPLOMAT			
Sln Sdn	4445	4489	4401
82 DODGE DIPLOMAT			
Sln Sdn	3588	3625	3553
83 FORD FAIRMONT			
Futura 6-Cyl Sdn 4 Dr	3800	3835	3760
82 FORD FAIRMONT			
Futura Sdn 4-Dr	3025	3056	2999
83 FORD MUSTANG			
L-Cpe 4	4206	4247	4164
82 FORD MUSTANG			
L-Cpe 4	3417	3453	3384
83 FORD LTD			
Sdn	4514	4561	4469
82 FORD LTD			
Sdn	3822	3861	3784
83 FORD ESCORT			
Htchbk 4 Dr	3257	3291	3226
83 FORD CROWN VIC			
Sdn	6879	6951	6808
82 FORD CROWN VIC			
Sdn	5352	5407	5299
83 FORD THUNDERBIRD			
Cpe	6243	6307	6182
82 FORD THUNDERBIRD			
Cpe	4913	4960	4863
83 LINCOLN CONTINENTAL			
Sdn	11685	11801	11568
Mark VI Cpe	11926	12042	11806
82 LINCOLN CONTINENTAL			
Sdn	9639	9735	9542
Mark VI Cpe	9864	9983	9788
83 MERCURY COUGAR			
Cpe	6350	6411	6287
82 MERCURY COUGAR			
GS Cpe	3632	3667	3595
83 MERCURY LYNX			
HtchBk 2-Dr	3805	3845	3769
83 MERCURY MARQUIS			
Sdn	4569	4616	4526
82 MERCURY MARQUIS			
Sdn	4748	4795	4698
Wgn-2S	4896	4944	4844
83 OLDS CIERA LS			
Cpe	5553	5608	5497
Sdn	5626	5682	5569
83 OLDS CUTLASS SUPREME			
Cpe	6193	6255	6130
Sdn	6020	6082	5963
82 OLDS CUTLASS SUPREME			
Sdn	5330	5385	5275
Cpe	5130	5180	5079
83 OLDS DELTA 88			
Sdn	6126	6186	6069
82 OLDS DELTA 88			
Sdn	4693	4739	4647
83 OLDS DELTA 98			
Sdn	8451	8533	8365
82 OLDS DELTA 98			
Sdn	6934	7009	6866
83 OLDS OMEGA			
Sdn	4368	4413	4326
82 OLDS OMEGA			
Sdn	3579	3615	3543
83 OLDS FIRENZA			
Sdn	4627	4673	4580
82 OLDS FIRENZA			
Sdn	3819	3857	3779
83 PLYMOUTH HORIZON			
4 Dr Htchbk	3337	3372	3302
83 PLYMOUTH RELIANT			
Cpe	3903	3941	3862
82 PLYMOUTH RELIANT			
Cpe	2981	3012	2950
83 PONTIAC FIREBIRD			
Cpe 8	6390	6453	6327
83 PONTIAC 6000			
Cpe	5417	5468	5361
Sdn	5344	5396	5290
82 PONTIAC 6000			
Cpe	4553	4599	4509
83 PONTIAC GRAND PRIX			
Cpe	6101	6162	6039
83 VOLKSWAGEN JETTA			
4 Dr Sdn	5040	5090	4989
82 VOLKSWAGEN JETTA			
4 Dr Sdn	4276	4318	4232
83 VOLKSWAGEN L SERIES			
2 Dr Htchbk	3836	3874	3798
82 VOLKSWAGEN RABBIT			
2-Dr Htchbk	2939	2967	2909
83 DATSUN			
Sentra 2 Dr Std Sdn	3382	3416	3348
Stanza Hbk 4 Dr Dlx	4609	4655	4563
82 DATSUN			
210 Std 2 Dr	2453	2478	2428
Sentra 2 Dr Std Sdn	2778	2806	2750
Stanza Hbk 4 Dr Dlx	3778	3816	3741
83 TOYOTA			
Corolla Sedan 2 Dr	4177	4218	4135
Celica St	6009	6068	5948
Camry Sedan	6789	6857	6721
82 TOYOTA			
Corolla 2 Dr Sdn	3376	3410	3343
Celica St Cpe	4829	4877	4780

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Special Light-Truck Issue

a bobit publication december 1985

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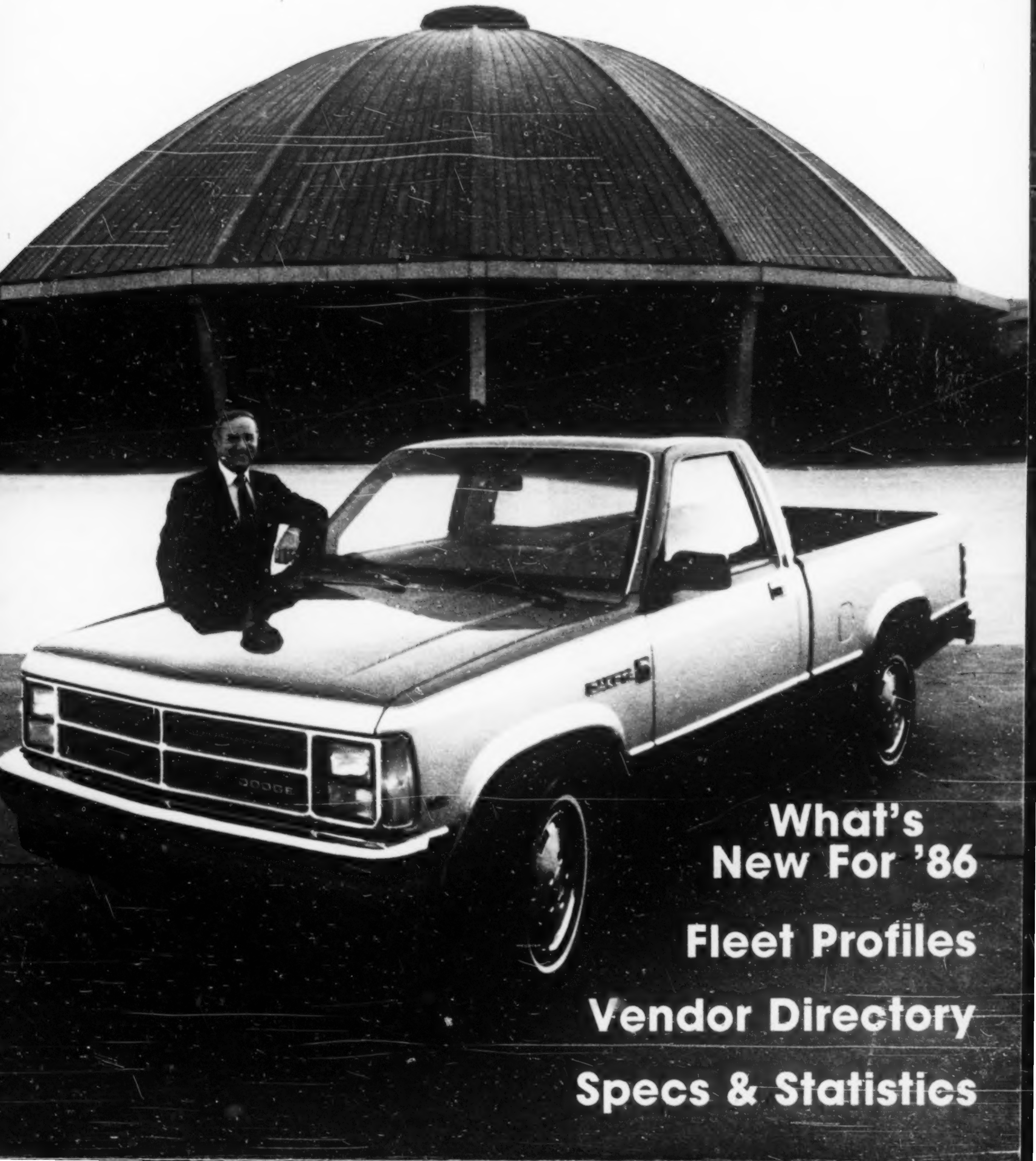

What's New For '86

Fleet Profiles

Vendor Directory

Specs & Statistics

DECEMBER 1985 VOL. 25, NO. 2

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On our cover: is an exclusive, advance look at Chrysler's new Dakota pickup. Pictured with the '87-model N-body truck in front of the Chrysler Styling Dome in Highland Park, MI, is Hal Barton, general manager of Chrysler fleet operations.

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READER UPDATE

Calendar

DECEMBER

2-4 — Bowker, Brown & Company's seminar on Truck Leasing and Rental Management, The Drake Oak Brook, Oak Brook, IL. Information: (305) 858-3400.

9-11 — *Limousine & Chauffeur* Limo Show and Conference, Harrah's Trump Plaza, Atlantic City, NJ. Information: (213) 376-8788.

9-13 — Institute of Traffic & Transportation fall transportation seminars, Holiday Inn-Metro Center, Phoenix, AZ.

12 — American Automotive Leasing Association special seminar on Tax Reform, the Future of Leasing, and New IRS Regulations, Hyatt Regency O'Hare, Chicago, IL. Information: (202) 223-2600.

16 — AALA special seminar on Tax Reform, the Future of Leasing, and New IRS Regulations, Philadelphia Airport Marriott, Philadelphia, PA.

JANUARY

26-31 — Wharton Certified Fleet Manager Program, Course One, The Wharton School, University of Pennsylvania, Philadelphia, PA. Information: (215) 898-4595.

28-29 — National Association of Fleet Administrators' course on Basic Principles of Fleet Management , Atlanta Marriott Marquis, Atlanta, GA. Information: (201) 494-8100.

FEBRUARY

1-4 — The National Automobile Dealers Association's annual convention and exposition, New Orleans Convention Center, New Orleans, LA. Information: (703) 821-7143.

2-6 — AALA annual convention, Boca Raton Hotel and Country Club, Boca Raton, FL.

6-9 — Truck Renting and Leasing Association annual convention, Innisbrook Resort, Tarpon Springs, FL. Information: (202) 347-2372.

Gas Prices

	UNLEADED	
	Cost Per Gallon Unleaded	
City	Full-Serve	Self-Serve
Selma, AL	129.5	123.0
Kingman, AZ	169.9	137.4
Oakland, CA	157.2	115.9
Durango, CO	161.4	124.9
New Haven, CT	144.6	126.4
Pensacola, FL	143.0	114.4
Joliet, IL	156.4	122.9
Indianapolis, IN	160.9	121.9
Fort Scott, KS	129.5	113.9
Buzzards Bay, MA	124.9	106.9
Minneapolis, MN	159.5	126.1
Monticello, NY	138.4	133.9
Lancaster, PA	144.4	122.4

Survey conducted during the first five working days of November, 1985. Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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U.S. Light Truck Statistics

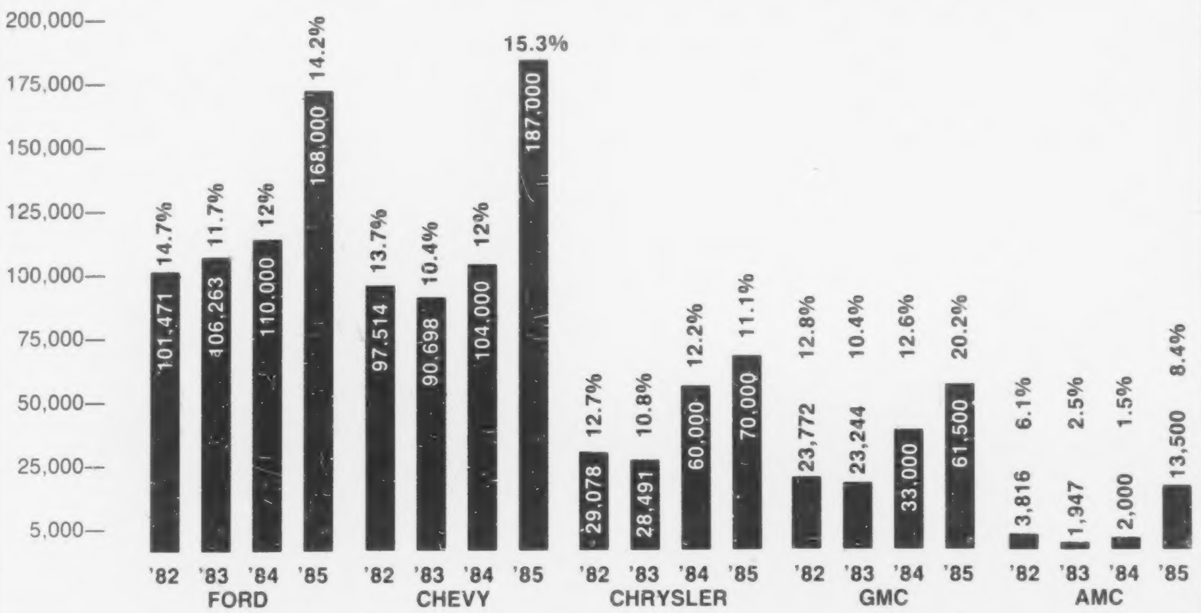
New 1977 to 1985 Light Truck Registrations Reported National and Fleet Totals — Class I, II & III

Source: Automotive Fleet Research Dept.

MAKE	1977	1978	1979	1980	1981	1982	1983	1984	1st 8 mos. 1985	Estimated 1985 cal. yr. Total
Total	3.069.482	3.518.374	4,065.190	2.749.051	1.926.887	2.237.843	2.799.636	3.792.002	2,909.422	4.365,000
Fleet	289.151	351.926	558.430	435.910	294.475	317.017	294.633	455.742	395.866	595.200
% Fleet	*9.4*	*10.0*	*13.7*	*15.8*	*15.3*	*14.2*	*10.5*	*12.0*	*13.6*	*13.6*
CHEVY	1.078,692	1.233.932	1.832.454	1,114,847	619.997	726.358	891.125	1.072.231	814.641	1.222.000
	103.727	123.369	156.170	117.983	94.289	97.514	90.688	138.590	124.714	187.000
	9.62	*9.99*	*8.52*	*10.58*	*15.2*	*13.4*	*10.2*	*12.9*	*15.3*	*15.3*
FORD	1.036,213	1.219,693	1.185,000	795.000	648.804	689.941	905.846	1.111.832	788.775	1.183.000
	105.721	124.823	284.000	206.700	116.979	101.471	106.263	142,499	111.763	168,000
	10.20	*10.23*	*24.00*	*26.00*	*18.00*	*14.7*	*11.7*	*12.8*	*14.2*	*14.2*
GMC	234.992	283.540	236.750	141,744	128.615	186.257	224.718	268,858	202.786	304.000
	21.618	27,552	30.591	23.498	21.531	23.772	23,244	39.455	40.955	61.500
	9.20	*9.72*	*12.92*	*16.57*	*16.7*	*12.8*	*10.3*	*14.7*	*20.2*	*20.2*
DODGE & PLYMOUTH	385.125	396,268	400.945	347.138	181.308	228.232	263.687	503.967	419.776	629.700
	40.823	41.603	48.794	52.731	29.930	29.078	28.491	53.727	46.577	70,000
	10.60	*10.50*	*12.16*	*15.90*	*16.50*	*12.7*	*10.8*	*10.7*	*11.1*	*11.1*
AMC/JEEP	115.079	161.912	140.431	77.852	58.257	62.097	76.453	148.040	106.935	160.500
	17.262	21.979	20.875	11.498	3.246	3.816	1.947	5.971	8.457	13.500
	15.00	*13.57*	*14.86*	*14.76*	*5.60*	*6.1*	*2.5*	*4.0*	*7.9*	*8.4*
OTHER Incl. VW, Imports, etc.	NA	210.274	258.017	294.529	317.250	344.958	437.797	687.074	576.509	865.800
	NA	12.600	18.000	23.500	28.500	34.500	44.000	75.500	63.400	95.200
	NA	*6.0*	*7.0*	*8.0*	*9.0*	*10.0*	*10.0*	*11.0*	*11.0*	*11.0*

1982-1985 Light Truck *Fleet Sales* By Maker — Plus % of Retail

('85 Estimated — Extended from 8 mo. Figures)



Import Light Truck Market Statistics

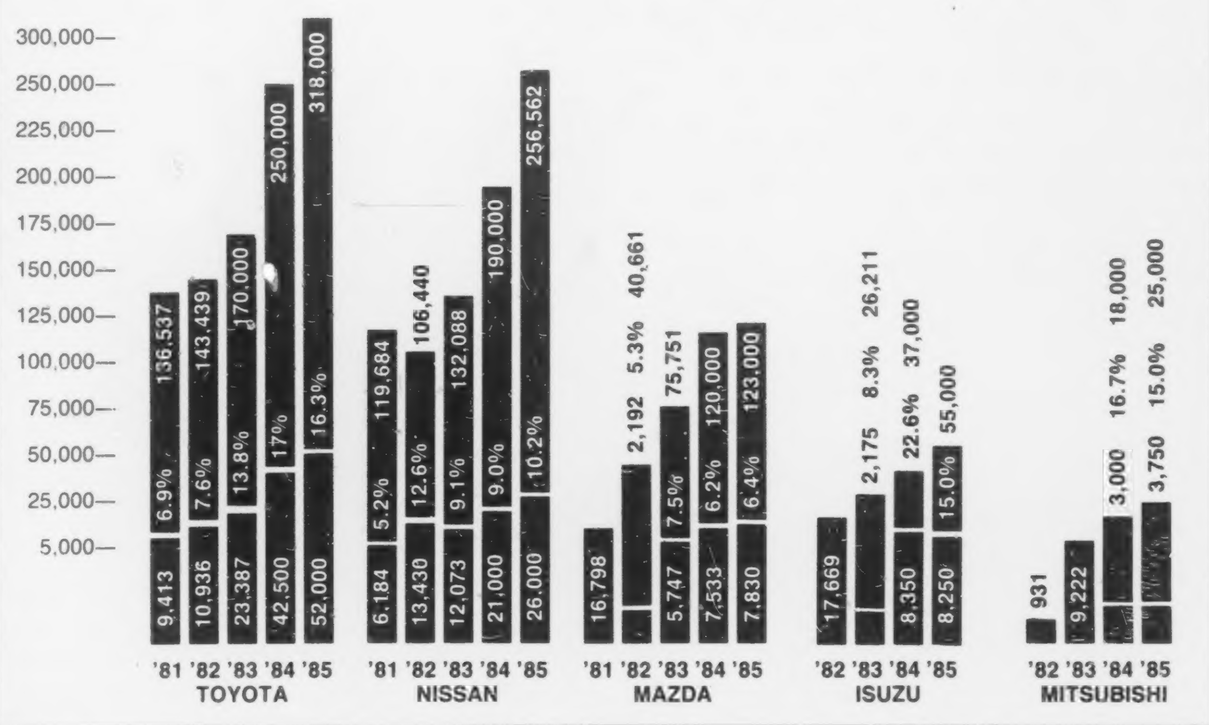
New 1978 to 1985 Light Truck Registrations Reported Class ~~I, II &~~ III National and Fleet Totals

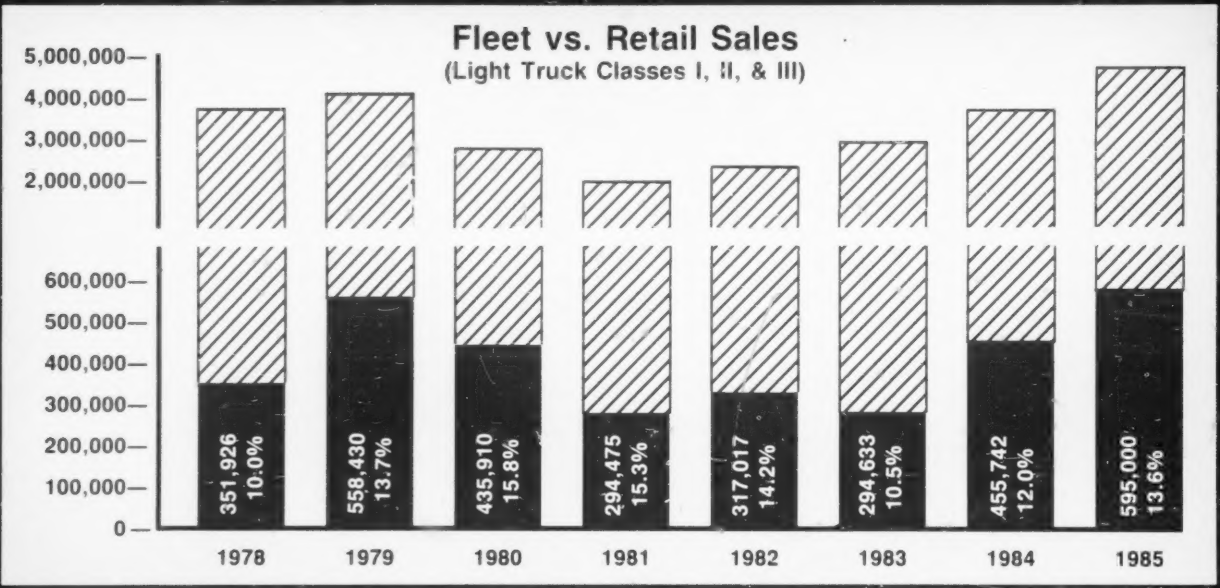
Source: Automotive Fleet Research Dept.

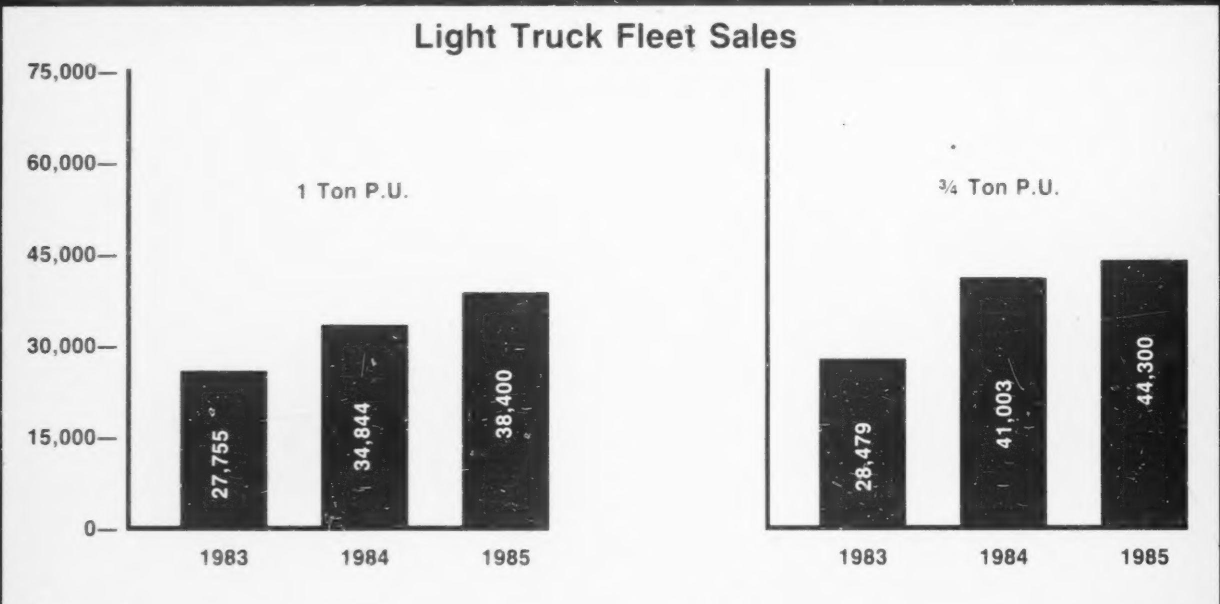
MAKE	1978	1979	1980	1981	1982	1983	1984	1st 9 mos. 1985	Estimated 1985 cal. yr. Total
TOYOTA									
1 Total	94,882	130,648	131,648	130,379	143,439	170,000	244,072	215,219	318,000
2 Fleet	10,966	4,620	14,624	9,413	10,936	23,387	41,860	40,292	52,000
3. % Fleet	*11.55*	*3.53*	*11.1%*	*7.2%*	*7.6*	*13.8*	*17.2*	*18.7*	*16.3*
NISSAN	87,645	104,866	113,242	119,684	106,440	132,088	194,414	210,000	256,562
	5,123	6,046	8,045	6,184	13,430	12,073	19,491	18,900	26,000
	5.84	*5.76*	*7.10*	*5.50*	*12.6*	*9.1*	*10.0*	*9.0*	*10.2*
MAZDA	4,708	8,302	8,775	16,798	40,661	75,751	118,368	84,577	123,000
					2,192	5,747	6,610	5,376	7,830
					5.3	*7.5*	*5.6*	*6.4*	*6.4*
AMERICAN ISUZU				9,959	17,669	26,211	37,443	39,356	55,000
						2,175	9,602	5,850	8,250
						8.3	*25.6*	*14.9*	*15.0*
MITSUBISHI					931	9,222	14,943	16,986	25,000
IVECO					2,563	2,800	2,457	2,425	3,100
ISUZU TRUCK								2,000	2,800

1981-85 Total Light Truck Sales & Fleet Sales for Major Imports

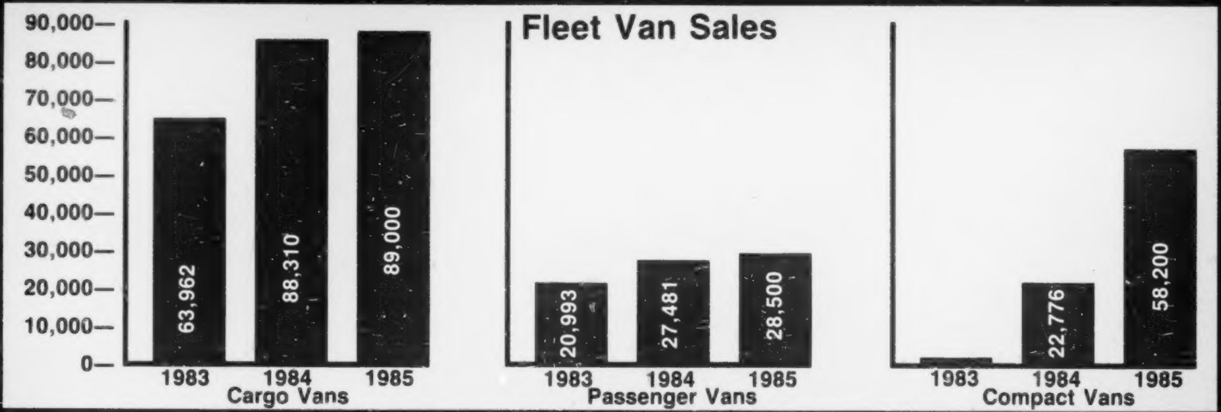
('85 Estimated from 9 Mo. Figures)



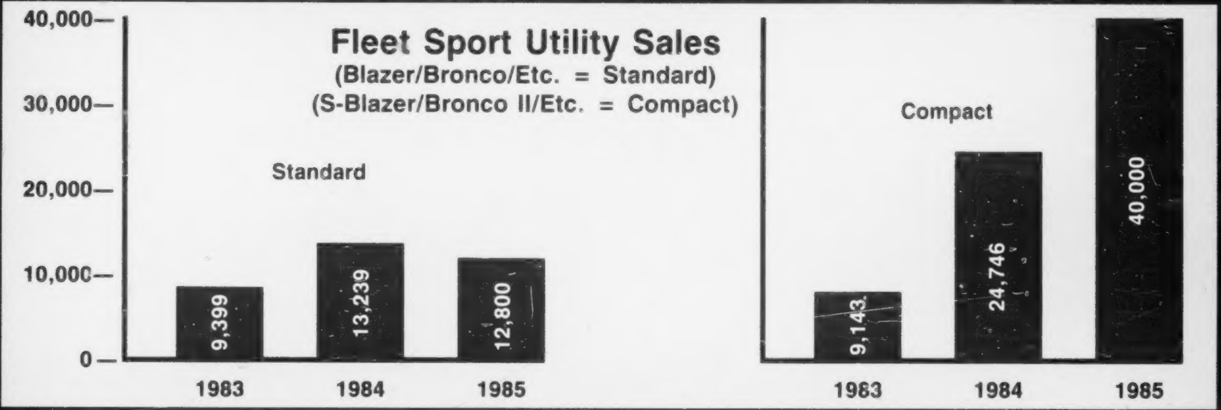

Fleet vs. Retail Sales
(Light Truck Classes I, II, & III)


Light Truck Fleet Sales

Source: Automotive Fleet Research Dept.

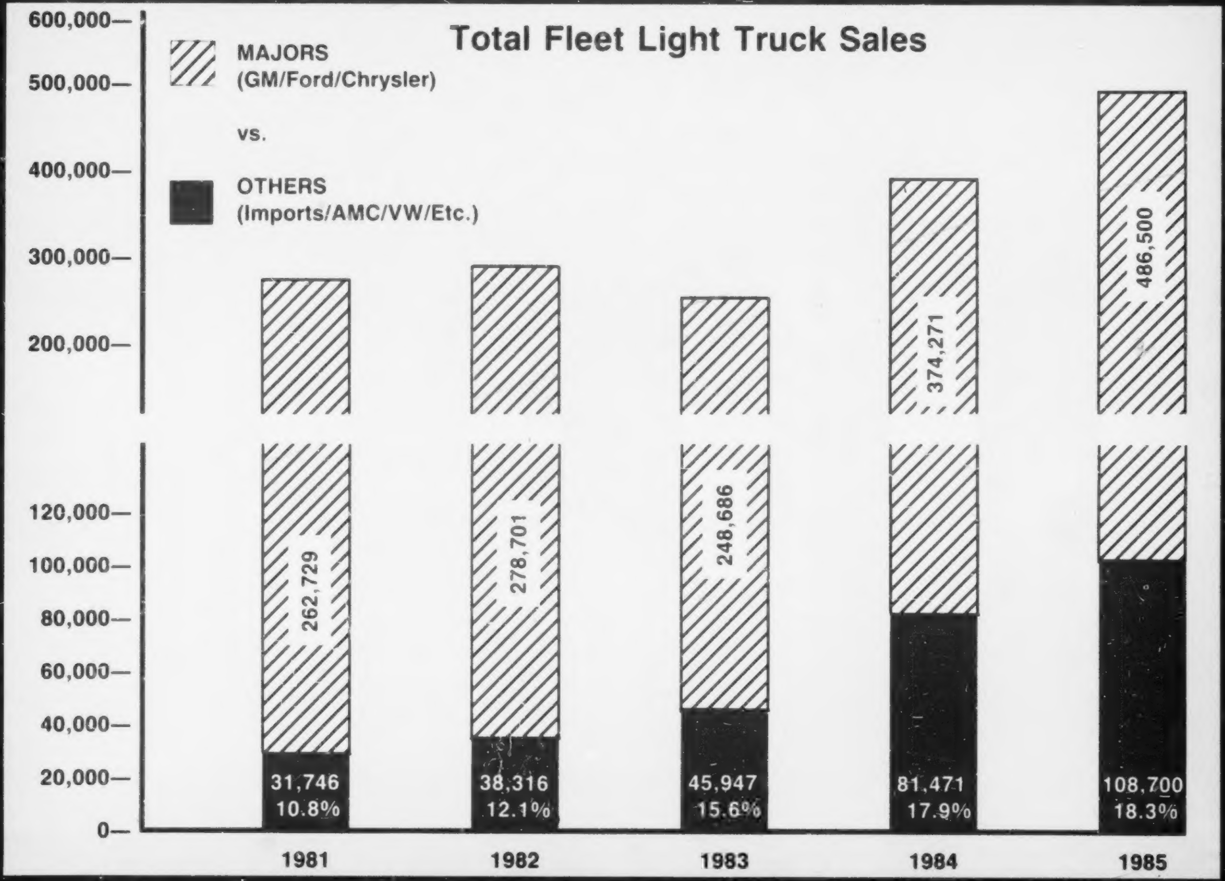


Fleet Van Sales



Fleet Sport Utility Sales

(Blazer/Bronco/Etc. = Standard)
(S-Blazer/Bronco II/Etc. = Compact)



Total Fleet Light Truck Sales

Light Truck / Van Sales Statistics

RETAIL SALES OF NEW TRUCKS BY FRANCHISED DEALERS

Gross Vehicle Weight	1979	1980	1981	1982	1983	1984
0-6,000 lbs.						
Utility	74,878	50,842	36,389	50,735	253,823	369,883
Car-Type Pickup	77,094	49,696	37,080	25,305	26,170	25,699
Compact Pickup						
Domestic	78	25,525	59,431	359,177	433,167	560,378
Import	225,410	228,878	159,551	95,277	55,143	52,894
Van	110,393	78,871	74.983	74.546	67,299	121,374
Mini Van	—	—	—	—	18	23,727
Conventional Pickup (Incl. extended & crew cabs)	783,035	544,959	520,180	485,977	445,370	632,401
Station Wgn (Truck Chassis)	—	—	—	—	8,394	61,623
Mini Passenger Carrier	—	—	—	—	8,174	168,774
Passenger Carrier	439	6,446	8,333	10,608	16,364	14,250
Total 0-6,000 lbs.	**1,271,327**	**985,947**	**895,947**	**1,101,625**	**1,313,922**	**2,031,003**
6,001-10,000 lbs.						
Utility	205,181	107,541	70,938	76,457	84,493	103,258
Van	331,848	172,045	168,469	207,466	311,207	264,997
Van Cutaway Chassis	43,797	19,918	21,662	30,951	45,228	54,954
Conventional Pickup (Incl. extended & crew cabs)	884,551	545,720	468,730	484,909	573,918	572,595
Station Wgn. (Truck Chassis)	73.294	38,807	37,564	54,517	68,844	86,056
Passenger Carrier	4,792	65,917	56,964	74,992	76,985	84,838
Multi-Stop	30,816	24,867	25,622	31,771	45,924	57,540
Total 6,001-10,000 lbs.	**1,574,279**	**974,815**	**849,949**	**961,063**	**1,206,599**	**1,224,238**
10,001-14,000 lbs.	**15,408**	**3,510**	**748**	**1,062**	**145**	**6,019**

U.S. TRUCK AND BUS FACTORY SALES BY BODY TYPE

	1978	1979	1980	1981	1982	1983	1984
Under 10,000 lbs. G.V.W.							
Pickup	1,969,518	1,623.875	931,093	933,809	1,141,050	1,278,099	1,494,770
Compact or Passenger Car Type	90,295	81,919	70,456	137,766	445,082	500,827	511,558
Conventional	1,879,223	1,541,956	860,637	796,043	695,968	777,272	983,212
Multi-Stop	40,368	30,111	20,966	28,637	32,036	47,465	62,984
Van	547,939	391,667	131,346	177,497	192,681	284,607	343,841
Station Wgn. (on Truck Chassis)	153,979	136,678	60,634	65,895	88,418	117,931	214,269
Passenger Carrier	4,484	3,619	39,273	37,227	47,066	44,135	54,991
General Utility	371,978	295,642	126,687	136,810	153,230	396,718	507,431
Other	133,840	126,484	76,524	65,528	67,066	50,938	90,969
Total Under 10,000 lbs. G.V.W.	**3,222,106**	**2,608,076**	**1,386,523**	**1,445,403**	**1,721,547**	**2,219,893**	**2,769,275**
Over 10,000 lbs. G.V.W.							
Multi-Stop	79,504	21,706	5,648	793	797	485	5,061
Buses (Incl. School Bus Chassis)	35,342	32,498	34,385	27,295	26,260	26,212	32,437
Trucks with Fixed Cabs 96" BBC or Shorter	123,276	104,749	69,691	54,811	28,118	42,951	66,106
Trucks with Movable Cabs	73,467	76,640	46,365	35,259	34,845	37,347	59,870
Other Body Types	172,544	193,037	124,671	137,347	94,888	87,009	142,576
Total Over 10,000 lbs. G.V.W.	**484,133**	**428.630**	**280,760**	**255,505**	**184,908**	**194,004**	**306,050**
Total	**3,706,239**	**3,036,706**	**1,667,283**	**1,700,908**	**1,906,455**	**2,413,897**	**3,075,325**

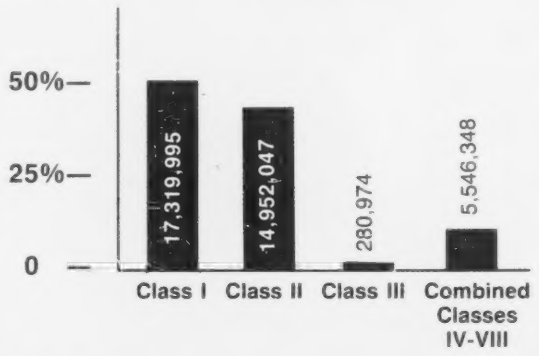
U.S. FACTORY SALES OF DIESEL TRUCKS BY GROSS VEHICLE WEIGHT, POUNDS

	6,000 & Less	6,001 10,000	Total Class I & II
TOTAL			
1984	17,329	128,925	148,254
1983	26,355	93,453	119,808
1982	47,973	74,929	122,902
1981	52,487	20,862	73,349
1980	72,501	4,973	77,474
1979	33,019	950	33,969
1978	35,019	990	36,009
1977	2,392	1,128	3,520

Note: None recorded in Class III

Source: Motor Vehicle Manufacturers Assn. (MVMA)

U.S. FACTORY TRUCK SALES By GVW As Combined For Years 1970-1984



Note:Classes I & II combined account for 85.4% for this period.

Source: Automotive Fleet Research Dept.

CHARACTERISTICS OF TRUCKS OWNED (In Thousands)

Characteristic	Total Trucks Number	Total Trucks Percent	10,000 Or Less Lbs. GVW
MAJOR USE			
Agriculture	4,248.8	16.2%	3,269.8
Forestry	217.5	0.8	111.8
Mining	139.0	0.5	70.2
Construction	1,764.9	6.7	1,237.9
Manufacturing	368.5	1.4	174.4
Wholesale and Retail Trade	2,007.9	7.7	1,252.2
For Hire (1)	653.8	2.5	104.0
Personal Transportation	14,260.6	54.4	14,108.1
Utilities	481.2	1.8	361.8
Services	1,641.3	6.3	1,371.4
All Other (2)	429.6	1.6	333.3
BODY TYPE			
Pickup, Panel, Multi Stop, or Walk-in	22,151.0	84.5%	21,714.9
Platform (3)	1,278.2	4.9	269.4
Platform With Added Device	333.1	1.3	66.3
Cattlerack	168.0	0.6	50.6
Insulated Nonrefrigerated Van	58.0	0.2	2.9
Insulated Refrigerated Van	150.5	0.6	6.1
Furniture Van	117.6	0.5	16.8
Open Top Van	30.0	0.1	2.2
All Other Vans	531.3	2.0	15.7
Beverage Truck	67.9	0.3	.6
Utility Truck	200.7	0.8	106.6
Garbage and Refuse Collector	50.7	0.2	1.2
Winch or Crane	92.9	0.4	23.3
Wrecker	101.2	0.4	68.6
Pole and Logging	60.0	0.2	2.0
Auto Transport	15.1	0.1	.9
Dump Truck	452.0	1.7	31.8
Tank Truck for Liquids	236.9	0.9	7.0
Tank Truck for Dry Bulk	34.8	0.1	—
Concrete Mixer	56.0	0.2	—
All Other (4)	27.1	0.1	8.0
ANNUAL MILES			
Less Than 5,000 Miles	6,279.7	24.0%	5,083.7
5,000 to 9,999 Miles	6,297.9	24.0	5,616.6
10,000 to 19,999 Miles	9,690.6	37.0	8,851.2
20,000 to 29,000 Miles	2,407.7	9.2	2,045.4
30,000 to 49,999 Miles	980.1	3.7	677.1
50,000 to 74,999 Miles	291.5	1.1	92.8
75,000 Miles or More	265.7	1.0	28.1
ACQUISITION			
Purchased New	12,482.7	47.6	10,490.1
Purchased Used	13,113.2	50.0	11,416.6
Leased and Not Reported (5)	617.3	2.4	488.3
TOTAL TRUCKS	**26,213.4**	**—**	**22,395.1**
TOTAL PERCENT	**—**	**100.0%**	**85.4**

(1) For-Hire includes for hire and daily rental.
(2) All Other includes other not in use and not reported.
(3) Platform includes low boy with depressed center and other platform.
(4) All Other includes other and not reported, boat transport and mobile home puller.
(5) Leased from someone else and not reported were added together.

SOURCE: U.S. Bureau of the Census. *1977 Census of Transportation, Truck Inventory and Use Survey.*

Circle 118 on Inquiry Card →

For Common Fleet Vehicles

'86 EPA MPG Ratings

MPG Cty	MPG Hwy	Make	Trans-mission	C.I.D./ # of cyl
SUBCOMPACTS				
17	25	Chev Camaro	A4	305-8
19	27	Chev Camaro	A4	173-6
19	23	Ford Mustang	A3	231-6
20	24	Renault Fuego	A3	132-4
21	25	Ford Mustang	A3	140-4
23	32	Chev Camaro	M5	151-4
23	25	Chry Laser-Daytona	A3	152-4
24	30	Ply Turismo	A3	135-4
25	30	Chev Chevette CS	A3	98-4
COMPACTS				
18	25	Cadillac Cimarron	A3	173-6
18	22	Ford Thunderbird	A3	140-4
18	22	Merc Cougar	A3	140-4
18	22	Merkur XR4T1	A3	140-4
19	27	Buick Somst/Sklrk	A3	181-6
19	24	Chev Cavalier	A3	173-6
19	23	Ford Thunderbird	A3	231-6
19	26	Ford Thunderbird	A4	231-6
19	27	Olds Calais	A3	181-6
19	24	Olds Firenza	A3	173-6
19	27	Pont Grand AM	A3	181-6
20	27	Buick Skyhawk	A3	110-4
20	27	Olds Firenza	A3	110-4
20	27	Pont Sunbird	A3	110-4
22	27	Cadillac Cimarron	A3	121-4
22	28	Ford Escort	A3	113-4
23	29	Buick Skyhawk	A3	121-4
23	32	Buick Somrst/Sklrk	A3	151-4
23	29	Chev Cavalier	A3	121-4
23	32	Olds Calais	A3	151-4
23	29	Olds Firenza	A3	121-4
23	32	Pont Grand AM	A3	151-4
24	31	Buick Skyhawk	A3	110-4
24	29	Dodge Omni	A3	135-4
24	31	Olds Firenza	A3	110-4
24	29	Ply Horizon	A3	135-4
24	31	Pont Sunbird	A3	110-4
25	30	Ford Escort	A3	113-4
25	30	Merc Lynx	A3	113-4
26	30	Ren Alliance/Encre	A3	85-4
28	32	Chev Nova	A3	97-4
MIDSIZE CARS				
16	21	Chry Nwprt/5 Ave	A3	318-8
16	21	Dodge Diplomat	A3	318-8
16	21	Ply Gran Fury	A3	318-8
17	23	Buick Regal	A3	307-8
17	25	Chev Monte Carlo	A4	305-8
17	23	Olds Ctls Sprme	A3	307-8
17	25	Pont Bonneville	A4	305-8
17	25	Pont Grand Prix	A4	305-8
18	25	Buick Regal	A4	307-8
18	24	Buick Regal	A3	231-6
18	25	Chev Celebrity	A3	173-6
18	23	Chev Monte Carlo	A3	262-6
18	27	Chev Monte Carlo	A4	262-6
18	26	Linc Mark 7	A4	302-8
18	26	Linc Cont	A4	302-8
18	25	Olds Ctls Ciera	A3	173-6
18	24	Olds Ctls Sprme	A3	231-6
18	25	Olds Ctls Sprme	A4	307-8
18	24	Pontiac 6000	A3	173-6
18	26	Pontiac 6000	A4	173-6
18	23	Pont Bonneville	A3	262-6
18	27	Pont Bonneville	A4	262-6
18	24	Pont Bonneville	A3	231-6
18	24	Pont Grand Prix	A3	231-6
18	23	Pont Grand Prix	A3	262-6
18	27	Pont Grand Prix	A4	262-6
19	26	Buick Century	A3	173-6
19	29	Buick Century	A4	231-6
19	30	Buick Riviera	A4	231-6
19	28	Chev Celebrity	A4	173-6
19	23	Ford LTD	A3	231-6
19	23	Merc Marquis	A3	231-6
19	28	Olds Ctls Ciera	A4	173-6
19	30	Olds Ctls Ciera	A4	231-6
19	30	Olds Toronado	A4	231-6
19	26	Pontiac 6000	A3	173-6
20	28	Buick Century	A4	173-6
20	28	Chev Celebrity	A4	173-6
20	24	Chry LeBaron GTS	A3	135-4
20	24	Chry New Yorker	A3	135-4
20	24	Dodge 600	A3	135-4
20	24	Dodge Lancer	A3	135-4
20	28	Olds Ctls Ciera	A4	173-6
20	24	Ply Caravelle	A3	135-4
20	28	Pontiac 6000	A4	173-6
21	25	Ford LTD	A3	140-4
21	25	Merc Marquis	A3	140-4
22	32	Buick Century	A3	151-4
22	32	Chev Celebrity	A3	151-4
22	32	Olds Ctls Ciera	A3	151-4
22	32	Pontiac 6000	A3	151-4
23	25	Chry LeBaron GTS	A3	152-4
23	25	Chry New Yorker	A3	152-4
23	25	Dodge 600	A3	152-4
23	25	Ply Caravelle	A3	152-4
23	26	Ply Reliant	A3	152-4
24	27	Chry LeBaron	A3	135-4
24	27	Chry LeBaron GTS	A3	135-4
24	27	Dodge 600	A3	135-4
24	28	Dodge Aires	A3	135-4
24	27	Dodge Lancer	A3	135-4
24	27	Ply Caravelle	A3	135-4
24	28	Ply Reliant	A3	135-4
LARGE CARS				
17	26	Cadillac DeVille	A4	249-8
17	25	Chev Caprice	A4	305-8
17	25	Pont Parisienne	A4	305-8
18	23	Chev Caprice	A3	262-6
18	25	Chev Caprice	A4	307-8
18	26	Ford LTD Crn Vic	A4	302-8
18	26	Merc Gran Marquis	A4	302-8
19	30	Buick Electra	A4	231-6
19	30	Buick LeSabre	A4	231-6
19	30	Olds 98 Regency	A4	231-6
19	30	Olds Delta 88	A4	231-6
SMALL STATION WAGONS				
18	25	Chev Cavalier Wgn	A3	173-6
23	29	Buick Skyhawk Wgn	A3	121-4
23	29	Chev Cavalier Wgn	A3	121-4
24	31	Buick Skyhawk Wgn	A3	110-4
25	30	Ford Escort Wgn	A3	113-4
MIDSIZE STATION WAGONS				
18	24	Olds Ctls Cruiser	A3	173-6
18	26	Olds Ctls Cruiser	A4	173-6
19	25	Buick Cent Wgn	A3	173-6
19	25	Buick Cent Wgn	A4	173-6
19	30	Buick Cent Wgn	A4	231-6
21	28	Pont 6000 Wgn	A3	151-4
22	31	Chev Celeb Wgn	A3	151-4
23	25	Chry Twn&Ctry Wgn	A3	152-4
23	25	Dodge Aries Wgn	A3	152-4
23	25	Ply Reliant Wgn	A3	152-4
24	27	Ply Reliant Wgn	A3	135-4
LARGE STATION WAGONS				
15	22	Chev Caprice Wgn	A4	305-8
15	22	Pont Parisn Wgn	A4	305-8
16	24	Buick LeSabre Wgn	A4	307-8
16	24	Chev Caprice Wgn	A4	307-8
16	24	Olds Cstm Cruiser	A4	307-8
16	24	Pont Parisn Wgn	A4	307-8
18	26	Ford Crn Vic Wgn	A4	302-8
18	26	Merc Gr Mar Wgn	A4	302-8
SMALL PICKUP TRUCKS TWO-WHEEL-DRIVE				
18	24	Ford Ranger	A4	179-6
19	24	Ford Ranger	M5	179-6
21	28	Chev S10	A4	151-4
23	27	Chev S10	M4	151-4
24	30	Chev S10	M5	151-4
26	29	Ford Ranger	M5	140-4
CARGO VANS				
11	13	Dod B150 B250 2WD	A3	360-8
11	13	Ford E250 Econo	A3	351-8
12	13	Ford E150 Econo	A3	351-8
14	15	Dod B150 B250 2WD	A3	318-8
15	18	Chev G10-20 2WD	A4	305-8
15	17	Ford E150 Econo	A3	300-6
17	22	Chev Astro 2WD	A4	262-6
17	23	Ford Aerostar Van	A4	171-6
PASSENGER VANS				
12	13	Ford E150 Clb Wgn	A3	351-8
13	13	Chv G10-20 2WD	A3	305-8
14	18	Ford E150 Clb Wgn	A4	300-6
16	19	Chv G10-20 2WD	A4	262-6
16	21	Ford Aerostar Van	A4	171-6
17	22	Chv Astro 2WD	A4	262-6
21	26	Chv Astro 2WD	A4	151-4
SPECIAL PURPOSE VEHICLES TWO-WHEEL-DRIVE				
17	19	Jeep Cherke Wgner	A3	173-6
19	22	Dod Cara Ram Van	A3	135-4
19	22	Plymouth Voyager	A3	156-4
20	23	Jeep Cherke Wgner	A3	150-4
20	23	Plymouth Voyager	A3	135-4

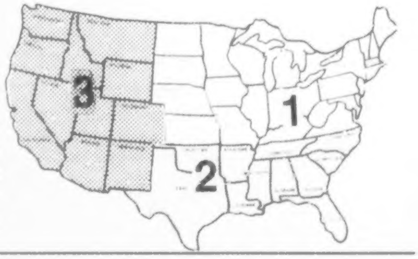
Top Twenty-Five Business/Commercial Light-Truck & Van Fleets

'85	'84	Company	Contact	# Lt. Trucks and Vans
1.	1.	Sears Roebuck & Co. Chicago, IL	William H. Jones, III	13,800
2.	2.	Frito-Lay, Inc. Dallas, TX	Gorman R. Green Charles Loveless	12,271
3.	3.	Federal Express Corp. Memphis, TN	Jim Wheeler	11,441
4.	—	Continental Baking Co. St. Louis, MO	P.J. Walsh	7,800
5.	4.	ARA Services Philadelphia, PA	Ralph Jamie	5,000
6.	5.	Union Pacific System Omaha, NE	Don Dyer	3,900
7.	—	Interstate Brands Corp. Kansas City, MO	David Wiseman	3,712
8.	6.	Purolator Service, Inc. New Hyde Park, NJ	Jack Neusch	3,600
9.	7.	Standard Oil of IN Chicago, IL	Richard Swanson	3,500
10.	11.	Shell Oil Co. Houston, TX	J.A. "Judy" Wieman	3,395
11.	9.	Rollins, Inc. Atlanta, GA	Bob Holloman	3,350
12.	8.	Goodyear Akron, OH	A.P. Spencer	3,250
13.	20.	Xerox Rochester, NY	Ron Pink	3,000
14.	13.	Phillips Petroleum Co. Bartlesville, OK	James I. Grillot	2,965
15.	25.	Tenneco, Inc. Houston, TX	J.R. "Jack" Gudelman	2,964
16.	15.	Westinghouse Pittsburgh, PA	Lou Dobak	2,920
17.	10.	Burlington Northern Railroad, St. Paul MN	John Long	2,800
18.	12.	Exxon Co., USA Houston, TX	Jack Lamb	2,800
19.	—	W.R. Grace & Co. New York, NY	Edward Boheme	2,800
20.	16.	Canteen Corp. Chicago, IL	Mark Klein	2,500
21.	—	Montgomery Ward Chicago, IL	Roseann Neveitt	2,500
22.	19.	Union Carbide Corp. New York, NY	Walt Dzitko	2,500
23.	—	American Bakeries Charlotte, NC	R.G. Kearns	2,399
24.	21.	Honeywell Minneapolis, MN	Connie Wesley	2,356
25.	18.	Johnson Controls Milwaukee, WI	Bob Borchert	2,218

Top Twenty-Five Utility Light-Truck & Van Fleets

'85	'84	Company	Contact	# Lt. Trucks and Vans
1.	2.	Bell South Services, Inc. Atlanta, GA	Larry Ross	20,000
2.	1.	Southwestern Bell St. Louis, MO	Elizabeth Towns	15,159
3.	3.	Pacific Bell San Francisco, CA	Roger Weaver	14,500
4.	15.	Pacific Gas & Electric San Francisco, CA	Bill Elby	6,503
5.	5.	General Telephone of California, Pomona, CA	Del Wingerd	5,866
6.	6.	New York Telephone Brooklyn, NY	Lindsay Payne	5,563
7.	8.	Continental Telephone Atlanta, GA	George Weimer	5,136
8.	7.	New England Telephone & Telegraph Boston, MA	Bruce Dickey	4,318
9.	9.	Mountain Bell Denver, CO	Scott Madsen	3,500
10.	10.	Bell Telephone & Diamond State Tel. Philadelphia, PA	Robert Fisher	3,285
11.	11.	General Telephone of Southwest San Angelo, TX	John Riordan	3,200
12.	—	General Telephone Co. of Florida, Tampa, FL	Douglas L. Carr	2,784
13.	12.	Pacific N.W. Bell Seattle, WA	Pete Labarge	2,699
14.	13.	American Electric Power Service Canton, OH	Dick Stage	2,600
15.	14.	Southern California Edison, Rosemead, CA	Dennis Stewart	2,130
16.	24.	Florida Light & Power Miami, FL	Donald Wheeler	1,812
17.	20.	Public Service Electric & Gas Co., Newark, NJ	G.T. Ela	1,694
18.	16.	Consumers Power Co. Jackson, MI	John Schafer	1,690
19.	17.	Southern New England Telephone Co. New Haven, CT	G. Welker	1,690
20.	18.	General Public Utility Parsippany, NJ	Jim Williams	1,575
21.	19.	Columbia Gas Distribution Co. Columbus, OH	Timothy L. Weber	1,505
22.	21.	Public Service Company of Colorado, Denver, CO	R. Fields	1,500
23.	22.	Bell Telephone of Pennsylvania Pittsburgh, PA	Roger Metzger	1,187
24.	23.	Michigan Consolidated Gas Company Detroit, MI	E.G. Morrison	1,038
25.	25.	Public Services of Indiana, Plainfield, IN	Mike Hesson	651

Used Cars



The following are average car prices for the period ending November 9, 1985. Prices are based on wholesale activity at major dealer auctions across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically on IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.

	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone 3**
83 AMC ALLIANCE			
Sdn 4DR L Series	3414	3449	3380
83 AMC CONCORD			
Sdn	3613	3650	3577
Sta Wgn	3815	3853	3776
83 BUICK SKYLARK			
Sdn Custom	4237	4281	4195
82 BUICK SKYLARK			
Sdn	3472	3508	3438
83 BUICK REGAL			
Sdn	5521	5577	5466
Cpe	5676	5734	5619
82 BUICK REGAL			
Turbo Cpe	5045	5095	4994
Cpe	4885	4934	4836
83 BUICK CENTURY			
Sdn Custom	5495	5549	5440
82 BUICK CENTURY			
Sdn Custom	4652	4699	4606
83 CADILLAC			
Cpe DeVille	9352	9445	9258
Sdn DeVille	9299	9391	9206
82 CADILLAC			
Cpe DeVille	7693	7770	7616
Sdn DeVille	7642	7718	7565
83 CHEVY			
Chvt Htchbk 4-Dr	2775	2803	2747
Camaro Cpe 8	6136	6197	6074
82 CHEVY			
Chvt Htchbk 4-Dr	2013	2033	1992
Camaro Cpe 8	5301	5354	5248
83 CHEVY CELEBRITY			
Sdn	5039	5089	4988
82 CHEVY CELEBRITY			
Sdn	4279	4321	4236
83 CHEVY CAVALIER			
Sdn	4308	4351	4265
82 CHEVY CAVALIER			
Sdn	3062	3093	3031
83 CHEVY CITATION			
Cpe 6	3391	3425	3357
82 CHEVY CITATION			
Cpe 6	2613	2639	2587
83 CHEVY MALIBU			
Clas Sdn	4912	4961	4862
Clas Sta Wgn	5113	5164	5061
82 CHEVY MALIBU			
Clas Sdn	4144	4185	4103
Clas Sta Wag	4325	4368	4282
83 CHEVY MONTE CARLO			
Cpe	5707	5736	5650
82 CHEVY MONTE CARLO			
Cpe	4232	4274	4189
83 CHEVY IMPALA			
Sdn	5262	5315	5210
82 CHEVY IMPALA			
Sdn	4201	4243	4158
Wgn 9	4366	4409	4323
83 CHEVY CAPRICE			
Sdn	5893	5952	5834
Sta Wag	6098	6158	6037
83 CHRYSLER			
E-Class Sdn	5013	5063	4963
82 CHRYSLER			
New Yorker Sdn	6116	6177	6054
83 DODGE OMNI			
4 Dr Cust	3213	3246	3182
82 DODGE OMNI			
4 Dr Cust	2456	2479	2431
83 DODGE ARIES			
Cpe	3718	3755	3681
82 DODGE ARIES			
Sdn	2858	2887	2892
83 DODGE DIPLOMAT			
Sln Sdn	4269	4311	4227
82 DODGE DIPLOMAT			
Sln Sdn	3446	3481	3411
83 FORD FAIRMONT			
Futura 6-Cyl Sdn 4 Dr	3668	3704	3632
82 FORD FAIRMONT			
Futura Sdn 4-Dr	2905	2934	2876
83 FORD MUSTANG			
L-Cpe 4	4081	4121	4040
82 FORD MUSTANG			
L-Cpe 4	3299	3331	3265
83 FORD LTD			
Sdn	4336	4379	4292
82 FORD LTD			
Sdn	3671	3707	3634
83 FORD ESCORT			
Htchbk 4 Dr	3128	3160	3097
83 FORD CROWN VIC			
Sdn	6606	6673	6541
82 FORD CROWN VIC			
Sdn	4341	4385	4297
83 FORD THUNDERBIRD			
Cpe	6026	6086	5966
82 FORD THUNDERBIRD			
Cpe	4719	4766	4672
83 LINCOLN CONTINENTAL			
Sdn	11337	11451	11223
Mark VI Cpe	11571	11686	11456
82 LINCOLN CONTINENTAL			
Sdn	9304	9397	9212
Mark VI Cpe	9589	9685	9493
83 MERCURY COUGAR			
Cpe	6130	6192	6069
82 MERCURY COUGAR			
GS Cpe	3542	3577	3507
83 MERCURY LYNX			
HtchBk 2-Dr	3083	3113	3052
83 MERCURY MARQUIS			
Sdn	4388	4433	4344
82 MERCURY MARQUIS			
Sdn	4560	4605	4515
Wgn-2S	4702	4749	4655
83 OLDS CIERA LS			
Cpe	5415	5470	5360
Sdn	5486	5541	5431
83 OLDS CUTLASS SUPREME			
Cpe	6008	6068	5949
Sdn	5841	5899	5782
82 OLDS CUTLASS SUPREME			
Sdn	5145	5196	5094
Cpe	4952	5001	4903
83 OLDS DELTA 88			
Sdn	5883	5942	5825
82 OLDS DELTA 88			
Sdn	4507	4552	4462
83 OLDS DELTA 98			
Sdn	8116	8198	8035
82 OLDS DELTA 98			
Sdn	6659	6726	6593
83 OLDS OMEGA			
Sdn	4237	4281	4195
82 OLDS OMEGA			
Sdn	3472	3508	3438
83 OLDS FIRENZA			
Sdn	4512	4557	4467
82 OLDS FIRENZA			
Sdn	3724	3761	3687
83 PLYMOUTH HORIZON			
4 Dr Htchbk	3126	3158	3096
83 PLYMOUTH RELIANT			
Cpe	3729	3766	3692
82 PLYMOUTH RELIANT			
Cpe	2848	2877	2820
83 PONTIAC FIREBIRD			
Cpe 8	6200	6262	6138
83 PONTIAC 6000			
Cpe	5185	5236	5133
Sdn	5256	5308	5203
82 PONTIAC 6000			
Cpe	4417	4462	4373
83 PONTIAC GRAND PRIX			
Cpe	5889	5949	5830
83 VOLKSWAGEN JETTA			
4 Dr Sdn	5040	5090	4989
82 VOLKSWAGEN JETTA			
4 Dr Sdn	4276	4318	4232
83 VOLKSWAGEN L SERIES			
2 Dr Htchbk	3836	3874	3798
82 VOLKSWAGEN RABBIT			
2-Dr Htchbk	2939	2967	2909
83 DATSUN			
Sentra 2 Dr Std Sdn	3382	3416	3348
Stanza Hbk 4 Dr Dlx	4609	4655	4565
82 DATSUN			
210 Std 2 Dr	2453	2478	2428
Sentra 2 Dr Std Sdn	2778	2806	2750
Stanza Hbk 4 Dr	3709	3746	3641
83 TOYOTA			
Corolla Sedan 2 Dr	4177	4218	4135
Celica St	6009	6068	5948
Camry Sedan	6789	6857	6721
82 TOYOTA			
Corolla 2 Dr Sdn	3376	3410	3343
Celica St Cpe	4829	4877	4780

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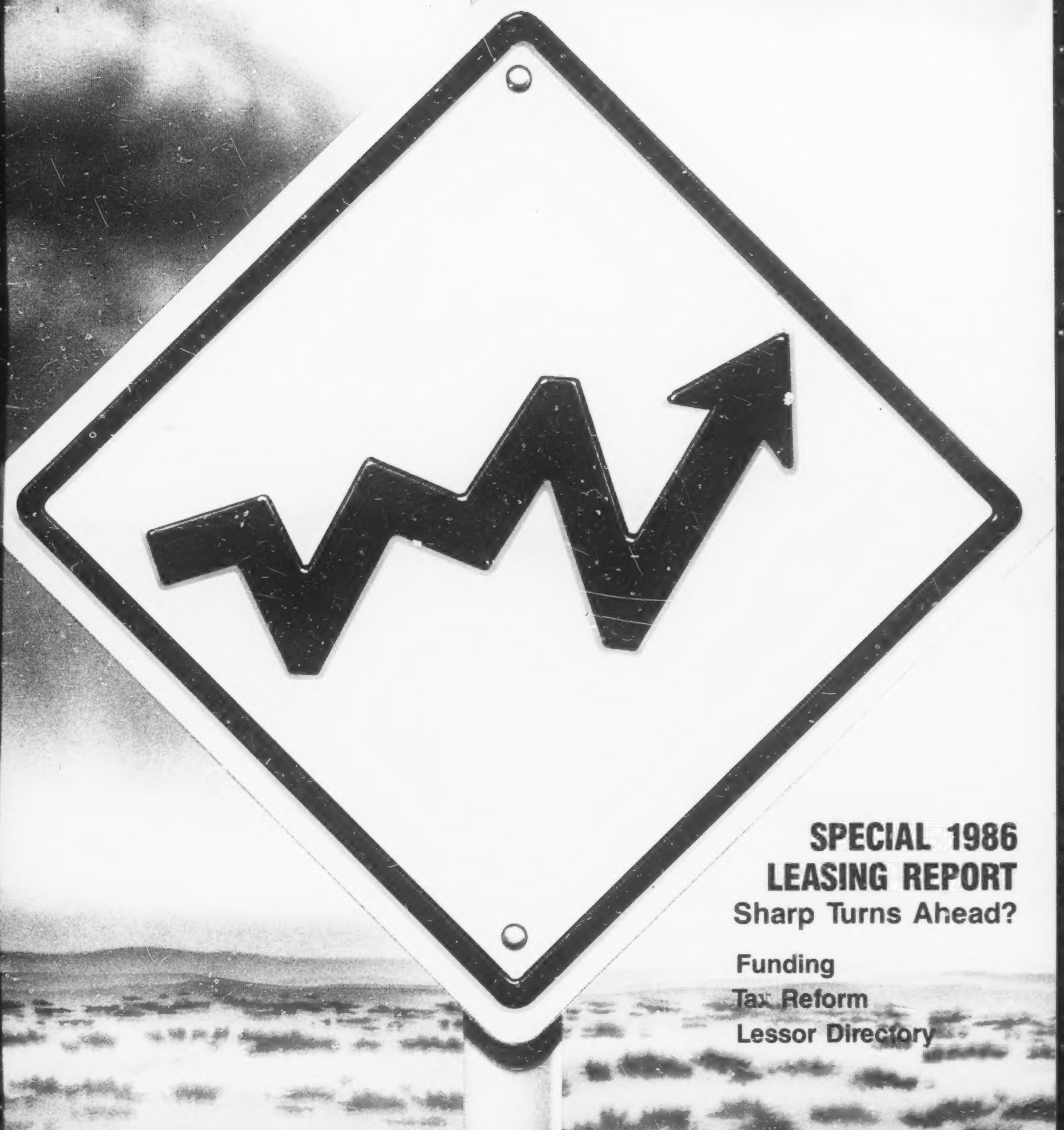
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE



SPECIAL 1986 LEASING REPORT

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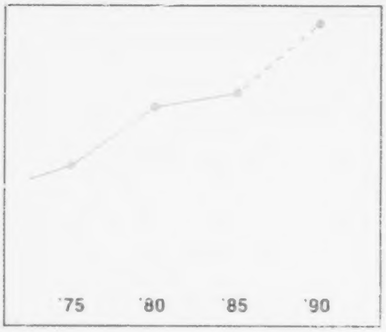
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

JANUARY 1986
VOL. 25, NO. 3

Influencing the management of
4,584,000 cars and 1,970,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.



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'85 was a pretty good year for banks in retail auto leasing, but there may be some trouble ahead. That's what we found, at least, when we interviewed eight of the industry's leaders.

Banks Adapt To Change

James Jones, Wells Fargo Bank: 1985 was a healthy year for us. We've been doing a good business — not so much on the leasing side as with the balloon auto product as a complement to it. We've been offering the balloon for about 15 months, and while it remains relatively small — 15 percent of our loan volume, versus 85 percent on the lease side — that's basically where our product development is being done right now.

We don't expect much in the way of growth this year in the expansion of our leasing portfolio. There's the perception that new auto sales are likely to soften this year, and for that reason we don't see additional penetration from the leasing standpoint. Also, if used car prices continue to be soft as they have been, we could see an adjustment of residual values. And, to the extent that there's any reduction on residuals, that could cause the benefits of leasing to diminish on a monthly payment basis.

Our longer-term outlook depends an awful lot on where we come out on the present tax bill. Our major concern there is uncertainty more than anything else. Since it's now fairly clear that there's not going to be a resolution in the near term, it's difficult to say where we'll be in regard to tax benefits. There's the whole question of retroactive dates and whether we should therefore price the benefits in or out. We're certainly not enthusiastic about pricing the benefits in, only to have them negated by Congress.

Joe Corvaia, First Pennsylvania Bank — LeaseIt: Between 1982 and '84 we grew by an annual average of some 40 percent, from 8,600 leases on the books to 16,800. In '85 we were somewhat below average in terms of growth — not to a great extent, but we still didn't come up to the standards of the past three years. The year began slowly for us, picked up to pretty good levels during the middle months, and then tapered off starting in August.

I see several reasons for this. First is stepped-up competition from other financial institutions affecting us both locally and in other market areas — bigger players, with the ability to buy deals at lower rates. Second, more people at dealerships and independent leasing companies are now keeping the leases for their own accounts; they're growing more sophisticated in their use of the tax benefits. Also, August is when the manufacturers began offering the subsidized low finance rates to their captive finance companies. When people have the highly publicized 7.7 and 8.5 percent programs, it certainly detracts from leasing as an alternative — particularly to consumers.

Bill Leehive, Fidelity Bank (Lease-Car): Our leasing business has really skyrocketed during the last year. We've gone from 1,500 units in our portfolio five years ago, to 15,000 today — up 6,500 from the end of '84. That's a five-year growth rate of 800 or 900 percent.

Unlike most of the Top 10 banks in leasing — who operate on a nationwide basis — we're proud of the fact that we've grown with a localized approach covering just seven counties in eastern Pennsylvania and southern New Jersey. Offering strictly indirect leasing with a staff that includes a marketing director and five lease coordinators, we probably control 35 percent of this marketplace through a base of 375 dealers and independent leasing companies.

If the current tax benefits remain in place, we anticipate growth of 30 to 35 percent per year. And we'll continue in the market as one of the major players. If the ITC is taken away and ACRS is adjusted, however, we could lose anywhere from 25 to 50 percent of our business.

If that occurs we feel that leasing obviously will continue, but not on the scale we had projected. At that point we might go into third-party auto paper and look more toward balloon financing, if and when the courts decide its legality in Pennsylvania. The market will dictate rates, of course. If we should lose X-percentage of our return, that would have to be passed on to the consumer/lessee.

Robert Riech, Marine Midland: Our leasing portfolio has gone up rather dramatically, from 9,000 units in '84 to 14,000 now, through some 2,000 dealers nationwide. This growth came basically because during the last year we acquired First Leasing Corp., the automobile leasing subsidiary of Alameda Bancorporation, Inc., in Alameda, CA. This acquisition will enable us to apply the expertise of the California leasing program to the East and Midwest; this month, for example, we'll be setting up an operation in western New York. We've already opened a new office in Boston, and later we'll be opening additional offices in Denver, Chicago, and Dallas.

We're concerned with the new tax law, of course. But we think one of its impacts could be to make banks stronger leasing competitors compared to finance companies like Borg Warner and GE Credit. One reason: the likelihood of the reduced tax interest of the leasing transaction.

If the ITC is lost, we think part of the loss will be recaptured in terms of pricing. And another part will be recaptured by way of a gain in market share.

Steve Glaser, Dan Garcia, First Interstate Bank of California: In 1985 we purchased 18,300 new auto leases, compared to 10,378 in '84. All were on an indirect basis through some 1,200 dealers in California. Thus, our volume levels far exceeded our expectations; we think the leasing industry as a whole experienced similar results.

The reason? Market conditions. There was demand for new vehicles, and increased consumer recognition of leasing as a cash-flow issue. That is — no down, smaller payments, no risk at maturity. Leasing has been popular in Europe for some time, and we think it's finally coming of age here too.

Along with that recognition has come stepped-up competition (among the banks). Because there's now a better professional understanding of the profit characteristics of the lease, more people have been driven to the market.

Our objective for the next few years is to continue to improve and to provide a quality product to our dealer-base. We don't anticipate any other new products at this time.

Anthony Langan, Manufacturers Hanover Trust — Wheelease: 1985 has been a very productive and profitable year for Wheelease. Many institutions and manufacturing companies are now feeling the results of the 7.7 percent financing on 1985 models. Most consumers who were

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How Top Leasing Banks Fared in '85

Bank	Location	Leases in Portfolio at End of '84	End of '85	Percentage Change
Security Pacific Credit Corp.	Woodland Hills, CA	41,496	53,218	+28
First Interstate Bank of California	Cerritos, CA	29,712	38,797	+31
Key Bank	Albany, NY	32,000	38,000	+19
Wells Fargo Bank	Oakland, CA	28,997	34,164	+18
BancAmerica Acceptance Corp.	Santa Clara, CA	17,540	25,632	+46
Manufacturers Hanover Trust—Wheelease	Hicksville, NY	15,000	23,000	+53
First Pennsylvania Bank — LeaseIt	Ft. Washington, PA	16,831	18,100	+ 8
Maryland National Bank	Baltimore, MD	15,000	15,000	-0-
Fidelity—LeaseCar	Wayne, PA	8,500	15,000	+76
Marine Midland Bank	Buffalo, NY	9,000	14,000	+56

Source: *Automotive Fleet* Research Dept.

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going to purchase or lease a new vehicle chose to do so in August and September when this financing became available. Subsequently, these people were taken out of the '86 model year. Despite this, our portfolio has increased to 23,000 units outstanding.

Wheelease has grown tremendously since our beginning in 1980. In August, 1980, we signed 100 automobile dealers and independent leasing companies. As of November, 1985, we had 1,000 dealers nationally and are currently soliciting business in 14 states.

Wheelease is an indirect leasing program relying on the dealer-body to generate business. In the New York metropolitan area, we have an eight-person sales force. For our out-of-state operations, Wheelease employs service companies who represent us in selected target markets. We intend to be qualified to do business in 48 states by year-end 1986.

The obvious major concern many institutions will have over the next year will be the elimination of ITC, which we've seen coming. Though this will have a great impact on our industry, Wheelease will be ready with any changes necessary or additional programs which will offer our customers the best product needed to do business.

Gregory Persbacker, Key Bank: 1985 was an excellent year for us. Today we're up to 38,000 cars with our indirect program through some 800 dealers on the East coast and in Dallas, TX. Our real growth started in 1983, when we had 7,000 cars. Since then we've been adding 1,200 leases per month. It's tapered off a little, but we've still had months with 1,800 to 2,000 new cars.

We haven't really done anything innovative, trying instead to stay right in the middle of the market. We don't want to be super-aggressive — or too slow — but to stay in the middle in terms of rate.

Like everyone else we've kind of got our heads drawn into our shells right now, trying to anticipate the new tax law. Who knows what will happen? One tax consultant says, "Yeah, ITC will go away." Another says, "No way!"

Every tax reform in the last 10 years has closed certain opportunities as it has opened up other, new ones. So we're not pessimistic at all. Whatever happens, we'll adapt and change. And continue our current posture right in the middle.

Kent Williams, Maryland National Bank: 1985 was very good for us. We've been on an expansion philosophy, opening up seven new offices in the last year. We're now in some of the country's best retail markets in 15 states, most in the mid-Atlantic region.

We see our niche as a conservative lender, and so we tend to buy very conservatively. We've watched some sizeable financial institutions come into the leasing market, absorb some major losses, and then get out of the market either because they didn't understand the business or because they approached it in the wrong way. So we try to be prudent, offering a lower price than most but with tighter credit. And that's been a fairly good strategy for us.

We're keeping a close handle on the situation in Washington, and certainly have looked at all the strategies and tactical objectives. We have a number of contingency plans, and feel we'll be ready to move. If the tax credits go away, obviously there will be a reexamination of pricing. Are you going to keep a fairly low price and make less money? Like every other major funder, we'll be looking at all the alternatives, including the balloon notes.

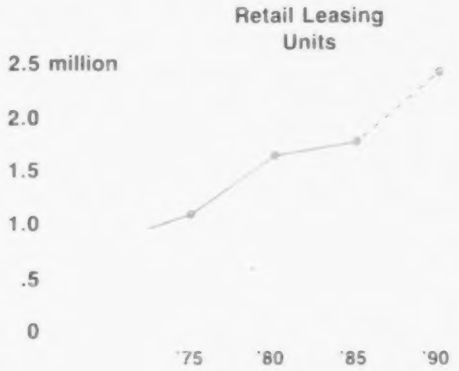
LEASING & RENTAL: Past Growth & Future Projections

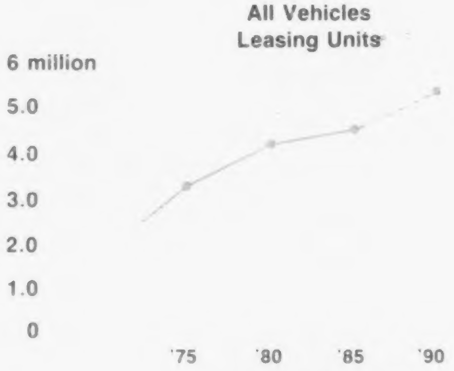
(12/31/85)

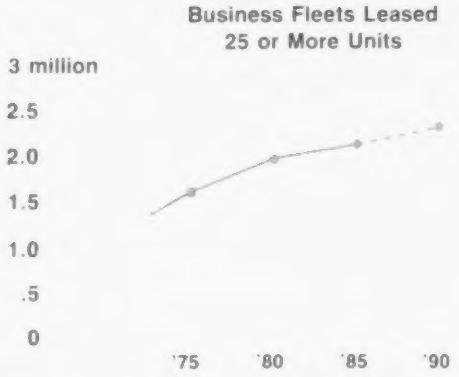
LEASED SEGMENT	1975		1980		1985		1990 (est.)	
	Units	$ Rev.	Units	$ Rev.	Units	$ Rev.	Units	$ Rev.
	(000)	Millions	(000)	Millions	(000)	Millions	000	Millions
Business Fleets 25+	1,666		1,968		2,150		2,300	
Other* Incl. Bus. Flts. 4-24	512		524		550		600	
Retail or Individual	1,072		1,708		1,800		2,400	
Total Cars Fleet Leased	**3,250**	**$9,100**	**4,200**	**$18,900**	**4,500**	**$27,450**	**5,300**	**$38,000**
Truck Leasing	735	$4,200	800	$7,300	870	$10,000	920	$12,000
TOTAL VEHICLE LEASING	**3,985**	**$13,300**	**5,000**	**$26,200**	**5,370**	**$37,450**	**6,220**	**$50,000**
RENTAL SEGMENT								
Car Rental	355	$1,400	500	$3,100	760	$6,000	800	$7,600
Truck Rental	160	$1,000	175	$2,300	200	$3,400	230	$4,600
TOTAL VEHICLE RENTAL	**515**	**$2,400**	**675**	**$5,400**	**960**	**$9,400**	**1,030**	**$12,200**

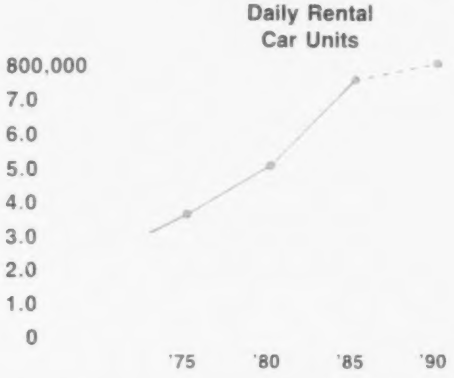
**Other includes all 50+% non-personal use regardless of registration*

Source: Automotive Fleet Research Dept. — Copyrighted 1986


Retail Leasing Units


All Vehicles Leasing Units


Business Fleets Leased 25 or More Units


Daily Rental Car Units

Here's a handy reference to the key lessor personnel who have purchase and disposal responsibilities.

Leading Lessor Vehicle Buying & Selling Guide

ALL-STATE VEHICLES, INC.

42-01 Northern Boulevard, Long Island City, NY 11101
(718) 937-7500

'85 Model Year Purchases

Cars	**5,000**
Light Trucks	**600**

CLARKE

James P. Clarke
Director of Purchasing

SOLOMON

Gerald Solomon
National Used Car Manager

MIRCHUK

Orest Mirchuk
Purchase Planning and Analysis

ASSOCIATES LEASING, INC.

2550 E. Golf Road, Suite 206, Rolling Meadows, IL 60008
(312) 781-5800

'85 Model Year Purchases

Cars	**3,210**
Light Trucks	**421**

SMEJKAL

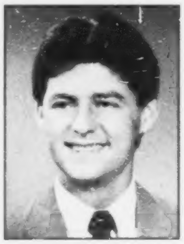
Jean C. Smejkal
Manager
Vehicle Purchasing

S. Bradley Scott
Manager
Vehicle Disposal

AUTOMOTIVE RENTALS, INC.

444 W. New Kings Highway, Maple Shade, NJ 08052
(609) 778-1500

'85 Model Year Purchases



DEXTER

John N. Dexter
Car Distribution
Manager

CREA

Antonio (Tony) Crea
Truck Distribution
Manager

Cars **15,000**

Light Trucks **10,000**

AVIS CAR LEASING We Try Harder, Inc.

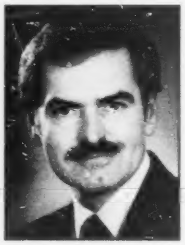
900 Old Country Road, Garden City, NY 11530
(516) 222-4000

'85 Model Year Purchases

PLOOF
William Ploof
Vice President
Vehicle Distribution

McDEVITT
Robert McDevitt
Vice President
Nat'l Used Car Sales

GLASS
Neil Glass
National Retail
Used Car Sales Mgr.



DONOVAN
Dennis Donovan
New Car Purch.
Manager

Cars **15,000**

Light Trucks **2,000**

BANCAMERICA ACCEPTANCE CORPORATION

3960 Freedom Circle, Suite 201, Santa Clara, CA 95050
(408) 971-5105

'85 Model Year Purchases

Bob Hood
Vice President-
Area Director

Steve Vanoveren
Vice President-
Area Director

John Pasetta
Asset Disposal
Officer

Pat Scott
Area Sales
Manager

Cars **7,120**

Light Trucks **3,117**

BORG-WARNER VEHICLE LEASING, Div. of Borg Warner Acceptance Corp.

650 E. Higgins Road, Suite 14 North, Schaumburg, IL 60195
(312) 490-8425

HOWARD

Phyllis Howard
Business Unit
Manager

LAPPERRE

Dirk Lapperre
Manager Vehicle
Disposal

HINCKER

Meg Hincker
Purchasing
Supervisor

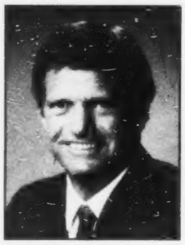
**'85 Model Year
Purchases**

Cars 2,560

**Light
Trucks 2,890**

CFR LEASING CORPORATION

Dupont Highway, P.O. Box 622, New Castle, DE 19720
(302) 322-3381


STEIN

Marvin S. Stein
Executive V.P.
Used Vehicle Sales

COOPER

William R. Cooper
Vice President
Purchasing

MANZI

June L. Manzi
Purchasing Mgr.

CUNNINGHAM

Bruce Cunningham
Truck Purchasing

**'85 Model Year
Purchases**

Cars 6,886

**Light
Trucks 1,093**

DART & KRAFT FINANCIAL CORPORATION

2211 Sanders Road, Northbrook, IL 60062
(312) 498-8000

Internal Lease Group
Northbrook, IL

Walter G. Tenclinger
Director of Operations

Jerry Henderson
Manager, Used Vehicles

Vehicle Management Group
Minneapolis, MN
(612) 828-6600

Dennis Jones
Vice President, Purchasing

Gary Fragodt
Vice President, Trucks

Brian Fackler
Vice President, Used Vehicle
Marketing

Vehicle Management Group
Cleveland, OH
(216) 464-2700

John Bradshaw
Director, Purchasing

Bill Ewing
Manager, Used Vehicles

**'85 Model Year
Purchases**

**Over
Cars 50,000**

**Light Over
Trucks 10,000**

DONLEN LEASING CORPORATION

8707 Skokie Boulevard, Skokie, IL 60077
(312) 675-8660

FELT

Martin E. Felt
Director of Purchasing

EDMONDS

Robert W. Edmonds
Director Used Vehicle
Merchandising

'85 Model Year Purchases

Cars 8,500

Light Trucks 1,500

DRESSER LEASING CORPORATION, Subsidiary of Dresser Industries, Inc.

Three Gateway Center, Pittsburgh, PA 15222
(412) 562-7700

CORFIELD

Donald T. Corfield
Purchasing Manager

SLAMINKO

Mary C. Slaminko
Assistant Purchasing
Manager

MICHALISM

Wallace W. Michalism
Used Vehicle
Marketing Manager

'85 Model Year Purchases

Cars 4,500

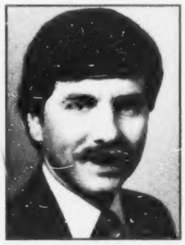
Light Trucks 1,200

GELCO FLEET MANAGEMENT SERVICES

Three Gelco Drive, Minneapolis, MN 55344
(612) 828-1000

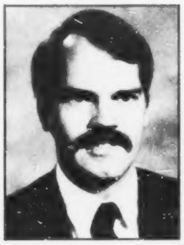
ANDERSON

Pat M. Anderson
Vice President
Lease Operations



LANGNESS

Terence J. Langness
Vice President
Vehicle Purchasing



OLSON

Douglas G. Olson
Vice President
Truck Flt. Mgmt.

LEE

Alden Lee
Vice President
Used Veh. Mktg.

'85 Model Year Purchases

Cars Over 50,000

Light Trucks Over 20,000

LMV LEASING, INC.

121 Freeport Road, Pittsburgh, PA 15238
(412) 826-8200

'85 Model Year Purchases

Cars 7,000

Light Trucks 3,500

CAMPBELL

J. Campbell
Manager
Car & Truck Purchasing

WATT

William C. Watt
Manager
Used Vehicle Dept.

WILSON

W. McCormick Wilson
National Customer Services
Manager

McCULLAGH LEASING INC., A Control Data Company

30803 Little Mack Avenue, Roseville, MI 48066
(313) 296-4200

'85 Model Year Purchases

Cars 15,513

Light Trucks 5,489

WHITE

John F. White
Vice President
Vehicle Operations

KINSMAN

A. Nancy Kinsman
Director
Vehicle Purchasing

GOMULINSKI

Dennis R. Gomulinski
Director
Truck Purchasing

ROCCIA

Donald R. Roccia
Director
Used Vehicle Sales

PETERSON, HOWELL & HEATHER, INC.

11333 McCormick Road, Hunt Valley, MD 21031
(301) 667-4000

'85 Model Year Purchases

Cars Over 60,000

Light Trucks Over 15,000

CHADWICK

Sterling H. Chadwick
Vice President
New Vehicle Acquisition

DAVIS

Charles F. Davis
Vice President
Used Vehicle Sales

KELLOGG

Hall A. Kellogg
Vice President
Truck & Equipment Services

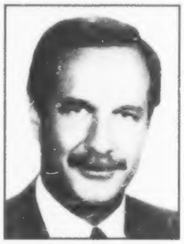
RYDER TRUCK RENTAL

3600 NW 82nd Avenue, Miami, FL 33166
(305) 593-3726

'85 Model Year Purchases

Cars 800

Light Trucks 4,500



SCHNEIDER

Glenn Schneider
Vice President
Purchasing

BOWERS

Bob Bowers
Director
Purchasing & Engineering

LANGFORD

Jim Langford
Director of Vehicle
Sales

SECURITY PACIFIC CREDIT CORPORATION,

Subsidiary of Security Pacific National Bank

2660 Townsgate Road, Suite 400, Westlake Village, CA 91361
(805) 496-1961

'85 Model Year Purchases

L.J. Bizjack
Director, Product/
Asset Management

Grace Boyett
Manager Lease Terminations

John Cavataio
Manager
Security Leasing Systems

Barbara Emerson
Manager
Vehicle Acquisitions

Cars 20,100

Light Trucks 3,600

WHEELS, INC.

666 Garland Place, Des Plaines, IL 60016
(312) 699-7000

'85 Model Year Purchases

Cars Over 25,000

Light Trucks Over 6,000

DERDIGER

Dudley Derdiger
Vice President
Vendor Relations

Tracking the Top 10 Lessors

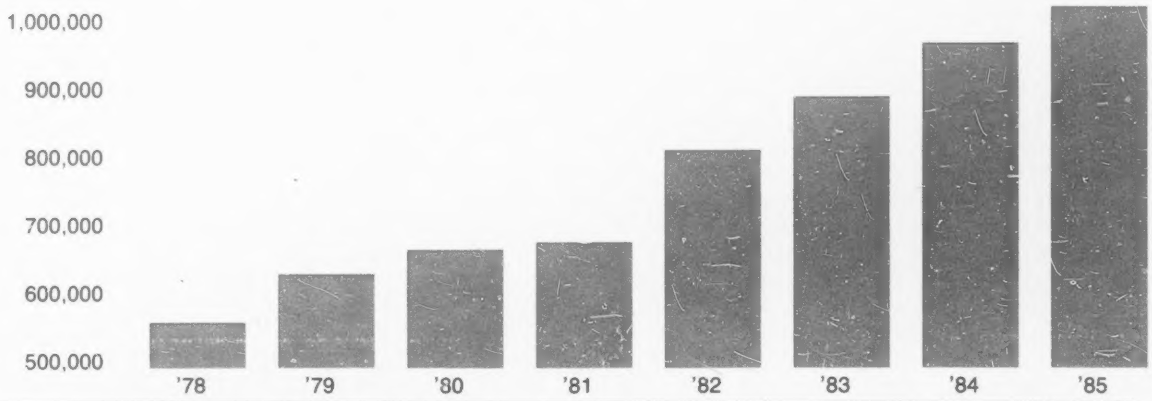
Total Vehicles/Year

Lessor	'78	'79	'80	'81	'82	'83	'84	'85
Gelco	130,000	170,000	170,000	215,000	215,000	235,000	267,000	268,000
PHH	147,000	160,000	175,000	185,000	200,000	200,000	200,000	225,000
Wheels	65,000	65,000	70,000	70,000	70,000	70,000	80,000	90,000
Leaseway	21,500	21,500	30,000	40,000	46,000	80,000	80,000	84,000*
McCullagh	50,000	55,000	55,000	75,000	75,000	75,000	80,000	80,000
ARI	30,000	30,000	30,000	35,000	35,000	50,000	65,000	65,000
Lend Lease	21,500	22,500	22,500	32,500	37,500	42,500	50,000	60,000
Hertz	35,000	35,000	40,000	45,000	45,000	50,000	55,000	55,000
U.S. Fleet	30,000	30,000	30,000	35,000	45,000	45,000	50,000	50,000
Avis	35,000	42,000	43,000	44,000	44,500	44,500	47,000	48,000
Top 10 Total	**565,000**	**631,000**	**665,500**	**776,500**	**813,000**	**893,000**	**974,000**	**1,025,000**

*Purchased by Dart-Kraft in late '85

The "Big" Get "Bigger"

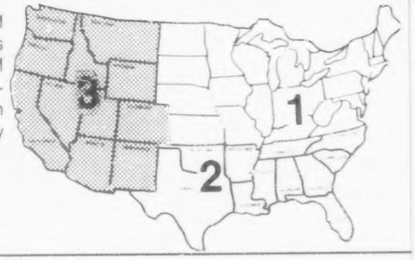
Number of Vehicles Among Top 10 Lessors



Sources: *Automotive Fleet* Research Dept. and Fact Book.

USED CARS

The following are average car prices for the period ending December 4, 1985. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically on IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



Model	AVERAGE AUCTION PRICE Zone 1	Zone 2	Zone 3
83 AMC ALLIANCE			
Sdn 4DR L Series	3246	3279	3213
83 AMC CONCORD			
Sdn	3470	3505	3435
Sta Wgn	3664	3700	3626
83 BUICK SKYLARK			
Sdn Custom	4347	4392	4305
82 BUICK SKYLARK			
Sdn	3352	3386	3318
83 BUICK REGAL			
Sdn	5356	5411	5303
Cpe	5507	5563	5452
82 BUICK REGAL			
Turbo Cpe	4870	4919	4821
Cpe	4716	4763	4668
83 BUICK CENTURY			
Sdn Custom	5331	5384	5278
82 BUICK CENTURY			
Sdn Custom	4513	4559	4469
83 CADILLAC			
Cpe DeVille	9028	9117	8937
Sdn DeVille	8977	9065	8887
82 CADILLAC			
Cpe DeVille	7426	7500	7352
Sdn DeVille	7376	7450	7303
83 CHEVY			
Chvt Htchbk 4-Dr	2448	2473	2424
Camaro Cpe 8	5953	6012	5893
82 CHEVY			
Chvt Htchbk 4-Dr	1943	1963	1923
Camaro Cpe 8	5143	5194	5092
83 CHEVY CELEBRITY			
Sdn	4864	4913	4815
82 CHEVY CELEBRITY			
Sdn	4088	4129	4047
83 CHEVY CAVALIER			
Sdn	4158	4200	4117
82 CHEVY CAVALIER			
Sdn	3233	3266	3201
83 CHEVY CITATION			
Cpe 6	3273	3307	3241
82 CHEVY CITATION			
Cpe 6	2510	2534	2484
83 CHEVY MALIBU			
Clas Sdn	4717	4765	4669
Clas Sta Wgn	4910	4960	4860
82 CHEVY MALIBU			
Clas Sdn	3959	3998	3920
Clas Sta Wag	4132	4174	4091
83 CHEVY MONTE CARLO			
Cpe	5565	5619	5509
82 CHEVY MONTE CARLO			
Cpe	4655	4702	4609
83 CHEVY IMPALA			
Sdn	5079	5130	5029
82 CHEVY IMPALA			
Sdn	4055	4095	4014
Wgn 9	4171	4213	4130
83 CHEVY CAPRICE			
Sdn	7007	7077	6937
Sta Wag	7234	7306	7161
83 CHRYSLER			
E-Class Sdn	4839	4887	4791
82 CHRYSLER			
New Yorker Sdn	5845	5902	5785
83 DODGE OMNI			
4 Dr Cust	3070	3101	3040
82 DODGE OMNI			
4 Dr Cust	2347	2368	2322
83 DODGE ARIES			
Cpe	3570	3607	3535
82 DODGE ARIES			
Sdn	2745	2773	2717
83 DODGE DIPLOMAT			
Sln Sdn	4121	4161	4081
82 DODGE DIPLOMAT			
Sln Sdn	3326	3360	3293
83 FORD FAIRMONT			
Futura 6-Cyl Sdn 4 Dr	3541	3575	3506
82 FORD FAIRMONT			
Futura Sdn 4-Dr	2804	2832	2776
83 FORD MUSTANG			
L-Cpe 4	3940	3978	3899
82 FORD MUSTANG			
L-Cpe 4	3185	3215	3152
83 FORD LTD			
Sdn	4143	4184	4101
82 FORD LTD			
Sdn	4148	4190	4106
83 FORD ESCORT			
Htchbk 4 Dr	3019	3051	2990
83 FORD CROWN VIC			
Sdn	6345	6409	6282
82 FORD CROWN VIC			
Sdn	4148	4190	4106
83 FORD THUNDERBIRD			
Cpe	5817	5875	5759
82 FORD THUNDERBIRD			
Cpe	4579	4624	4532
83 LINCOLN CONTINENTAL			
Sdn	11056	11166	10944
Mark VI Cpe	11283	11395	11171
82 LINCOLN CONTINENTAL			
Sdn	9027	9117	8938
Mark VI Cpe	9303	9396	9210
83 MERCURY COUGAR			
Cpe	5917	5977	5858
82 MERCURY COUGAR			
GS Cpe	3419	3453	3385
83 MERCURY LYNX			
HtchBk 2-Dr	3051	3081	3019
83 MERCURY MARQUIS			
Sdn	4192	4235	4151
82 MERCURY MARQUIS			
Sdn	4380	4423	4336
Wgn-2S	4516	4561	4471
83 OLDS CIERA LS			
Cpe	5254	5307	5200
Sdn	5322	5376	5269
83 OLDS CUTLASS SUPREME			
Cpe	5829	5887	5772
Sdn	5667	5724	5610
82 OLDS CUTLASS SUPREME			
Sdn	4780	4827	4732
Cpe	4967	5016	4918
83 OLDS DELTA 88			
Sdn	5650	5707	5594
82 OLDS DELTA 88			
Sdn	4329	4372	4286
83 OLDS DELTA 98			
Sdn	7795	7873	7717
82 OLDS DELTA 98			
Sdn	6395	6459	6332
83 OLDS OMEGA			
Sdn	4090	4133	4049
82 OLDS OMEGA			
Sdn	3352	3386	3318
83 OLDS FIRENZA			
Sdn	4355	4399	4312
82 OLDS FIRENZA			
Sdn	3595	3631	3559
83 PLYMOUTH HORIZON			
4 Dr Htchbk	2986	3016	2956
83 PLYMOUTH RELIANT			
Cpe	3581	3617	3546
82 PLYMOUTH RELIANT			
Cpe—	2735	2763	2709
83 PONTIAC FIREBIRD			
Cpe 8	6015	6075	5955
83 PONTIAC 6000			
Cpe	5073	5123	5022
Sdn	5005	5054	4955
82 PONTIAC 6000			
Cpe	4264	4307	4221
83 PONTIAC GRAND PRIX			
Cpe	5743	5802	5685
83 VOLKSWAGEN JETTA			
4 Dr Sdn	4939	4988	4889
82 VOLKSWAGEN JETTA			
4 Dr Sdn	4190	4232	4147
83 VOLKSWAGEN L SERIES			
2 Dr Htchbk	3606	3642	3570
82 VOLKSWAGEN RABBIT			
2-Dr Htchbk	2821	2848	2793
83 DATSUN			
Sentra 2 Dr Std Sdn	3213	3245	3181
Stanza Hbk 4 Dr Dlx	4379	4422	4335
82 DATSUN			
210 Std 2 Dr	2330	2354	2307
Sentra 2 Dr Std Sdn	2639	2666	2612
Stanza Hbk 4 Dr	3589	3625	3554
83 TOYOTA			
Corolla Sedan 2 Dr	3968	4007	3928
Celica St	5709	5765	5651
Camry Sedan	6450	6514	6385
82 TOYOTA			
Corolla 2 Dr Sdn	3207	3239	3176
Celica St Cpe	4660	4706	4613

CALENDAR

JANUARY

26-31 — Wharton Certified Fleet Manager Program, Course One, The Wharton School, University of Pennsylvania, Philadelphia, PA. Information: (215) 898-4595.

28-29 — National Association of Fleet Administrators courses on Basic Principles of Fleet Management, Advanced Fleet Mangement, and Automotive Systems and Maintenance Technologies. Atlanta Marriott Marquis, Atlanta, GA. Information: (201) 494-8100.

FEBRUARY

1-4 —National Automobile Dealers Association annual convention and exposition, New Orleans Convention Center, New Orleans, LA. Information: (703) 821-7143.

2-6 —American Automotive Leasing Association annual convention, Boca Raton Hotel and Club, Boca Raton, FL. Information: (202) 347-2372.

6-9 —Truck Renting and Leasing Association annual convention, Innisbrook Resort, Tarpon Springs, FL. Information: (202) 347-2372.

8-16 —Chicago Auto Show, McCormick Place, Chicago, IL. Information: (312) 693-6630.

MARCH

5-8 —National Truck Equipment Association Supershow III, New Orleans Convention Center, New Orleans, LA. Information: (800) 321-1988.

5-9 —American Car Rental Association annual convention, Caesars Palace, Las Vegas, NV. Information: (202) 347-2370.

GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Juneau, AK	163.0	151.9
Globe, AZ	166.9	130.9
San Jose, CA	143.4	109.9
Denver, CO	155.2	119.7
Key West, FL	151.4	131.4
Gulfport, MS	147.4	122.9
Raleigh, NC	144.9	118.9
Omaha, NE	142.4	127.4
Las Vegas, NV	142.4	117.9
Toledo, OH	130.9	116.2
Reading, PA	140.9	121.6
Houston, TX	143.4	106.6
Burlington, VT	130.2	122.9
Yakima, WA	169.9	137.9
Madison, WI	152.0	127.9

Survey conducted during the first five working days of December, 1985. Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

NEW PRODUCTS

signed to be run on IBM PC-Xt, -At, and compatibles. Fleet maintenance features are scheduled for release by the fourth quarter of 1985. *Decision Dynamics.*

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Small or Large Fleets

- Screen Printed Decals
- Open Background Decals
- Prespaced Letters & Numbers 3/8" to 24" Many Type Styles & Colors Available
- Accent Striping 3/8" to 6"

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• Fast Delivery • Nationwide

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6837 Pearl Road
Cleveland, Ohio 44130
(216)-843-6262

sunart DECALS INC

"Our 10th Year Specializing in Vehicle Decal Markings"

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February 1980

automotive FLEET

THE MANAGEMENT MAGAZINE FOR CAR AND LIGHT TRUCK FLEET OPERATORS

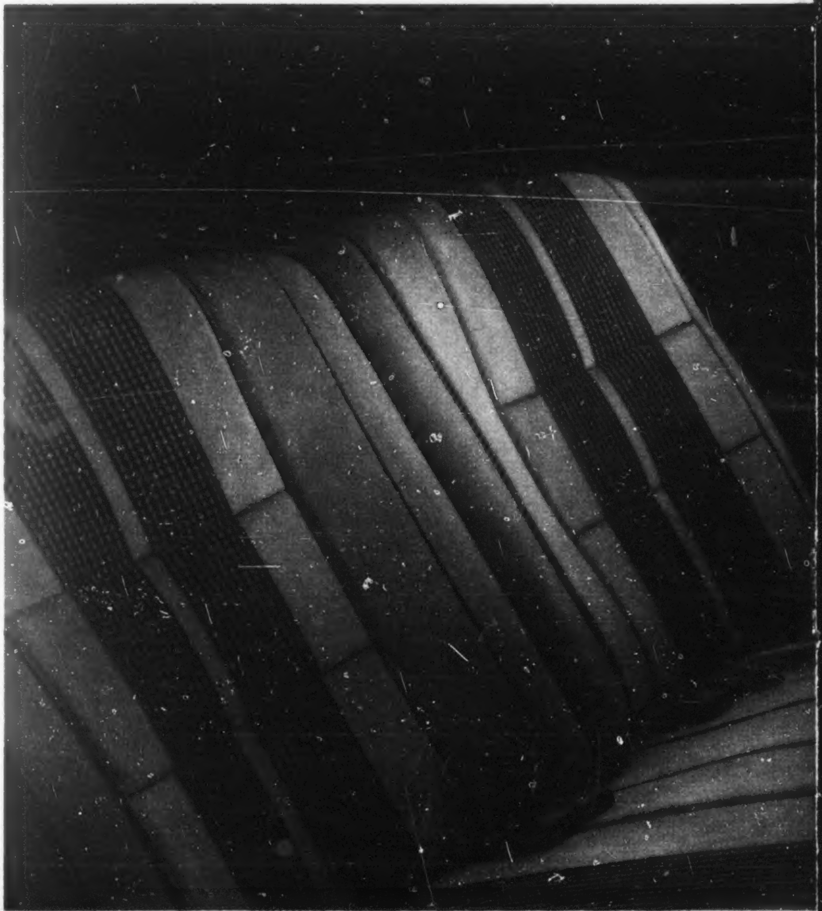
Fleet Recycling Practices

Tomorrow's Dealer Franchises

Analyzing The New IRS Regs

CAVALIER

The less money you want to put into a car, the more car Cavalier gives you.

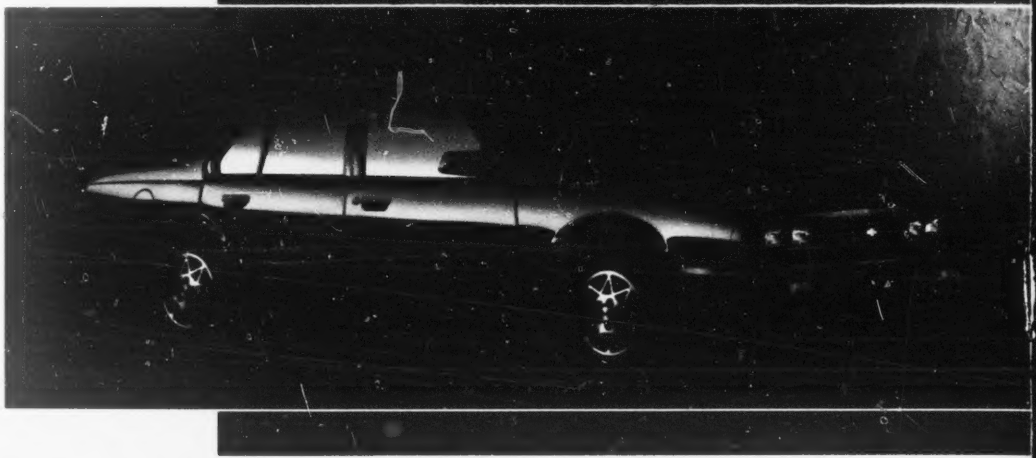


For openers, Chevy Cavalier is America's most popular line of cars. So right off you know you're looking at a rock-solid winner.

And that impression gets even bigger when you get inside. Cavalier gives you the kind of driving room and comfort you'd expect from a much larger car. Ditto the ride and quiet.

Yet because Cavalier's not a much larger car, it comes with additional big benefits. With its powerful electronically fuel-injected standard engine, you may decide not to spend extra for extra engine. Air conditioning and other select options cost less than on many mid-size cars.* Front-drive traction's standard. And Cavalier Wagon gives you almost as much cargo capacity with the rear seat up as Citation II did with its rear seat down.

All in all, the kind of car you'll prize for a long time to come: One that gives you a great deal for your money. Without asking for a great deal of your money. Which shouldn't surprise you. After all, it's a Chevrolet.



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*Based on a comparison of 1985 Manufacturers' Suggested Retail Prices.

CHEVROLET FL

Driver safety is one concern that fleet managers often overlook. But besides helping to protect the company work-force — every firm's most valuable asset — a solid safety program can help protect something else: profits.

Thinking Safety

By Glenn Hunter

At Advanced Care Products, a division of Johnson & Johnson's Ortho Pharmaceutical Corp. based in Rariton, NJ, the word has gone out among company drivers about sales administration manager Pat Webster. "Don't ride with Pat," they advise each other with a laugh. "She's a safety freak!"

The manager herself is the first to agree. "I still do a safety check every time I get in an employee's car," admits Webster, who oversees the Advanced Care fleet with one of the most assertive safety programs in the country. "I always look at the armrest, for instance: if it's dirty, then I suspect the driver isn't taking good care of the car. And whenever I drive with vendors, I order them to buckle up their seat belts.

"I don't want to die or get injured,". Webster explains simply. "So safety has become my way of life."

In a perfect world, Webster's attitude would be shared by every manager charged with the cars and the driving habits of his or her employees. Safety is a joint responsibility in any organization, points out Runzheimer International's latest *Survey and Analysis of Business Car Policies and Costs*. But the *primary* responsibility, Runzheimer stresses, must always lie with the safety-conscious fleet administrator.

Unfortunately, some have yet to realize it. According to the 1985 Safety Survey conducted by the National Association of Fleet Administrators, just 49 percent of responding fleet managers had some type of defensive driving or accident prevention program in place last year — up two percent from the figure for 1980. (Large fleets, with 500 or more vehicles, were much more likely to have such programs than were smaller fleets, the study found.)

"The increase (over '80) shows an awareness of the necessity and importance of proper training for roadway dangers," NAFA concluded. "But, industry-wide, it is still considered a low percentage."

That "low percentage" is of particular concern to Stephen Schultz, fleet administrator for Cincinnati-based Merrell Dow Pharmaceutical and, since September 1984, the chairman of NAFA's national safety committee. "A lot of fleet managers don't recognize safety as an important topic," Schultz says. "But that can quickly change the first time someone from the company employee relations department comes in and says, 'Do you realize how much we're paying out in workman's compensation, or liability insurance, or in the cost of temporary help, because of automobile accidents?'

"Safety is a matter of economics that a lot of companies have failed to recognize," Schultz continues. "One good place firms can cut costs is to stop serious accidents before they happen."

Schultz' own firm is a case in point. Besides utilizing a driver-education program put together by Dow Chemical, Merrell also issues a small newsletter called *Safety Spotlights*, sponsors a periodic safety poster contest, and, like 58 percent of fleets in the latest NAFA survey, enforces a mandatory seat-belt policy for each of its 730 employee-drivers.

(During a collision, safety belts keep the wearer from being thrown from the car. They also prevent the wearer from hitting fixed objects in the vehicle, distribute the force of the impact, and help the driver maintain control of the car.)

The result of such programs? In '84, three of Merrell's divisions were wholly accident-free; the year before, the entire company suffered fewer than 90 chargeable collisions. And — since Schultz began pushing for the seat-belt policy in the early seventies — Merrell Dow drivers have logged no fewer than 175 million business miles without a single fatality or disabling injury.

"The first thing you've got to do is buckle up, and more and more people are understanding this now," Schultz says. "If you can do that, thus helping to keep fatalities and disabling injuries out of the picture, you've gone a long way toward an effective safety program."

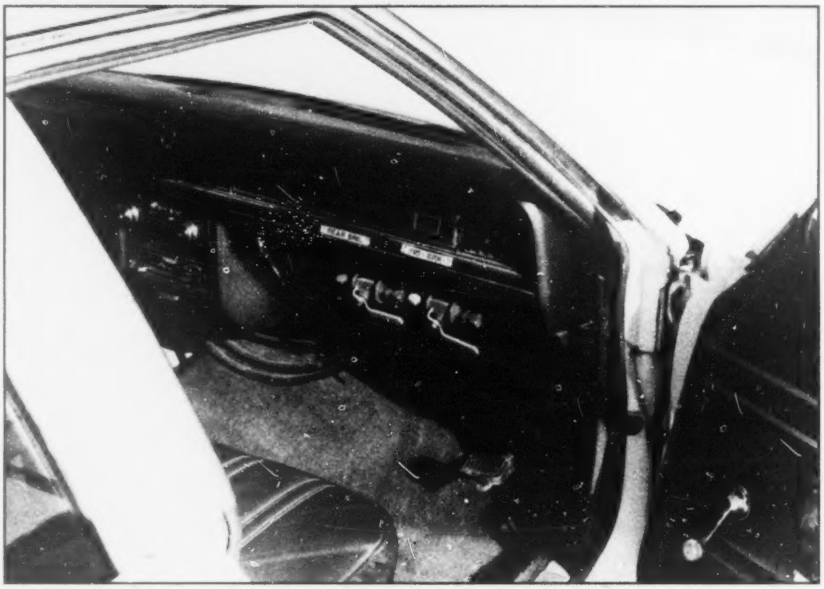
Another company placing high priority on fleet safety — and mandatory belt-use — is Dowell Schlumberger, Inc., perhaps the second-largest oil-field service firm in the nation. Operating a 2,800-vehicle fleet which includes 1,170 cars and light trucks throughout the U.S. and Canada, Dowell first made a serious commitment to driver-safety 10 years ago.

"Back then, research was done which determined that the *most* dangerous thing we were doing was driving," recalls Lowell Jones, Dowell's manager for driver training. "In other words, more serious injuries and deaths were resulting from motor vehicle accidents than from anything else. At that point, a decision was made to train all our people to drive defensively — to help them avoid the rollovers and the head-on collisions that had been our most severe problems."

As a result of that research, Houston-based Dowell now requires that most of its new hires take an eight-day course in vehicle safety at the firm's training center in Kellyville, OK. Working both in the classroom and outdoors, on a full square mile of open land, students learn to avoid accidents with materials provided by the National Safety Council and by actually driving specially-equipped trucks and four-door Ford sedans. To learn to counteract skidding, for example, the trainees maneuver their vehicles across a slick, 300-foot by 100-foot "skid pan"; to avoid head-on collisions, they barrel toward an arrangement of cones at successively increasing speeds before swerving to the side of the road, trying each time to keep control of the car.

Back on the job in their districts, Dowell drivers are re-tested by a "safety and training" officer once a month during their first year of

Dowell drivers learn to counteract skidding on this special "skid pan."



Dual controls in Dowell's Ford training car provide an extra element of safety.

Dowell's "Convincer" shows employees the need to wear seat belts every time they drive.

employment, quarterly during the second, then annually after that. A seat-belt use law is also enforced, a policy Jones credits with enabling the firm's employees to travel one *billion* miles since 1979 without a fatality.

Other results of the Dowell safety commitment are equally impressive. While the '85 NAFA study shows fleets overall averaging 10.03 accidents for every million miles driven, Dowell's latest figure is just 2.78. Before implementing the program in the mid-seventies, by contrast, the company's average was between 10 and 15.

SCHULTZ

WEBSTER

As at Dowell, safety receives priority emphasis at Advanced Care Products and Ortho Pharmaceutical, where Pat Webster served eight years as fleet administrator beginning in 1976. "As the person responsible for the accident reports filed by our sales people, it was my job to find out why certain of them were having two and three (accidents)," Webster remembers. "Realizing we needed some safe-driving guidelines, I sent a letter to our president and eventually got management to buy into the need for such a thing. If our parent, Johnson & Johnson, was safety-conscious in our plants, I reasoned, then we should be safety-conscious among our drivers in the field as well. I viewed it as part of our credo to provide our employees with safe working conditions."

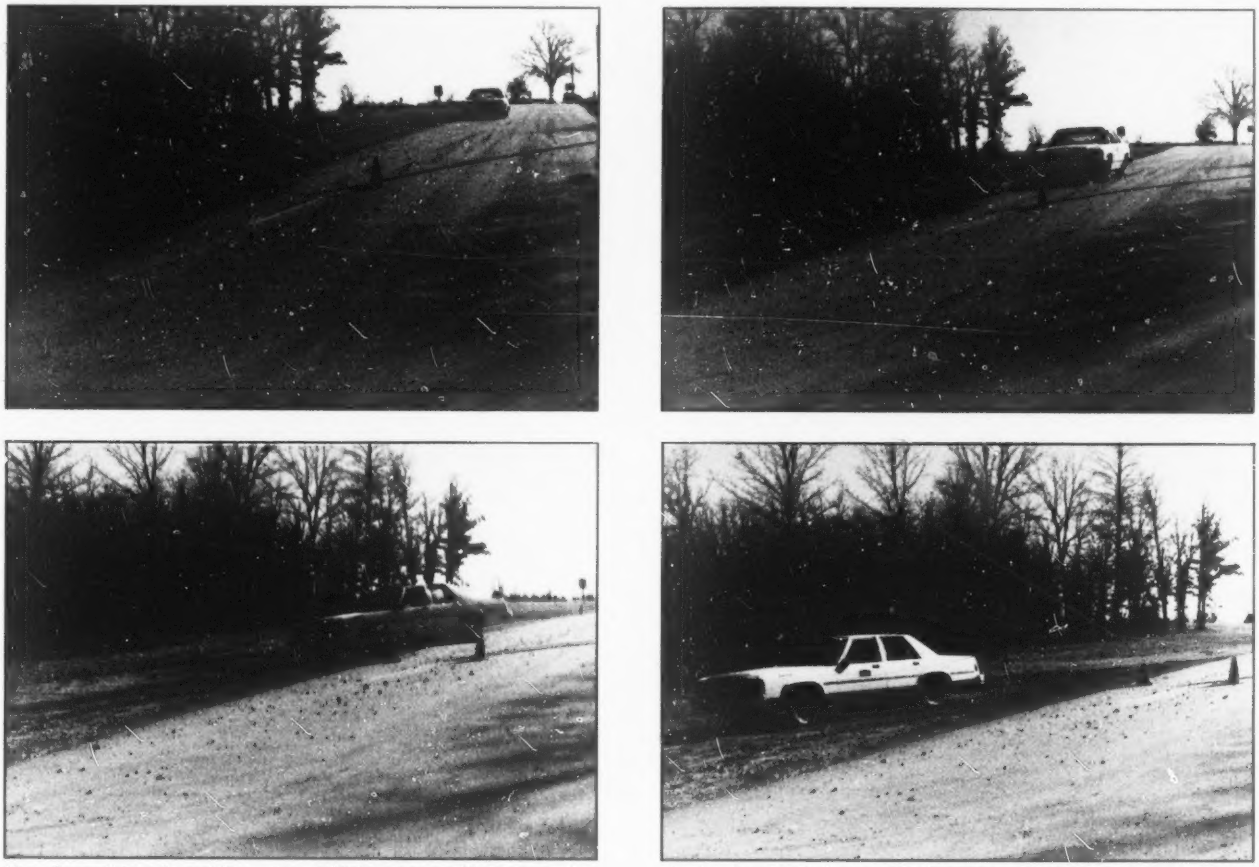
That credo shows up in a variety of ways at Advanced Care and Ortho, whose combined fleets total some 600 cars. Besides a mandatory belt policy, adopted in 1982, every new employee must take a

Which States Have Seat Belt Laws?

Seventeen states and the District of Columbia have enacted seat belt use laws. In each, only vehicles equipped with seat belts are covered, and because all states now have laws requiring small children to be restrained, the belt use laws generally refer only to adults and older children. Here is a list of states with belt laws as of late in '85. The list covers the laws' penalties and enforcement provisions (if stated), and indicates whether they appear to conform with the six criteria set by the Secretary of Transportation: 1. a minimum $25 penalty for violations, 2. front seat occupants must wear belts properly when the vehicle is moving forward, 3. only medical waivers are permitted, 4. effective by 9/1/89, 5. mitigation of damages for failure to wear a safety belt in civil litigation, 6. a program encouraging compliance. If the laws are designated as not conforming with the criteria, they may vary in one or more aspects.

State	Effective	Provisions
California	1/1/86	Maximum $20 fine, first offense; maximum $50 fine for second; secondary enforcement. Nonconforming language.
Connecticut	1/1/86	$15 fine. Nonconforming language
District of Columbia	uncertain	$15 initial penalty; subsequent penalty to be set by mayor; secondary enforcement. Nonconforming language.
Hawaii	12/16/85	$15 fine; primary enforcement. Nonconforming language
Illinois	7/1/85	Maximum $25 fine; no minimum; secondary enforcement. Nonconforming language.
Indiana	7/1/87	Maximum $25 fine; no minimum; secondary enforcement. Nonconforming language
Louisiana	7/1/86	$25 fine; secondary enforcement. Nonconforming language
Massachusetts	1/1/86	$15 fine; secondary enforcement. Nonconforming language.
Michigan	7/1/85	$25 fine; secondary enforcement. Conforming language.
Missouri	9/18/85	Maximum $10 fine; secondary enforcement. Nonconforming language.
Nebraska	9/6/85	$25 fine; secondary enforcement. Nonconforming language.
Nevada	7/1/86	Maximum $25 fine or community service plus a $10 assessment; secondary enforcement. Law contingent upon federal adoption of 70 mph speed limit. Nonconforming language.
New Jersey	3/1/85	$20 fine; secondary enforcement. Nonconforming language.
New Mexico	1/1/86	Minimum $25 fine; maximum $50; primary enforcement permitted. Conforming lanaguage.
New York	12/1/84	Maximum $50 fine; primary enforcement permitted. Nonconforming language grandfathered by U.S. DOT.
North Carolina	10/1/85	After 12/31/86, $25 fine; primary enforcement permitted. Nonconforming language.
Oklahoma	2/1/87	$10 fine, plus $15 administrative costs; secondary enforcement. Nonconforming language.
Texas	9/1/85	Minimum $25, maximum $50 fine. Nonconforming language.

* *Source:* Avis *Fleet Manager's Newsletter*



How Dowell teaches drivers to avoid head-on collisions: In the top left photo, driver approaches safety cones; top right, he hits the brakes hard; lower left, he eases off the brakes and leaves the road, then comes to a controlled, safe stop (lower right).

two-hour "pre-driver training" home-study course offered by the National Safety Council. Then comes a more intensive class held at a Rariton high-school, a class including the use of films, as well as a driver-simulation car equipped with computerized brakes and speed controls.

At Advanced Care — where Webster has managed the 66-car fleet since June of '84 — drivers further receive a quarterly safety bulletin, and, by sending in the answers to certain safety-related questions, the chance to win a $50 savings bond. They're also awarded $25 in cash or equivalent gifts for each year they drive without a reportable accident. (Since that figure is compounded incrementally, a driver who goes seven years without such an accident actually is eligible for $300.)

Additionally, all Ortho drivers without preventable accidents during given periods could win another bond worth $100. And divisional managers are required to complete a maintenance-evaluation form for each of their cars every six months, noting any problems that might have an impact on roadway safety.

Though most of the firm's collisions traditionally have occurred during the drivers' first two years of employment — while they're still learning the job -- none of Webster's eight new hires for '85 has suffered an accident so far. And the Advanced Care accident rate dropped a whopping 35 percent last year from the figure for '84.

By most accounts, the chief obstacle to further safety success often sits in the corporate boardroom. "A lot of fleet managers are quite conscious of safety; the problem is to sell high-level management on the idea of an on-going program," says Bill Smith, fleet manager for Hewlett-Packard Co.'s 1400-vehicle southern region. "Many companies look at accidents as sort of a 'necessary' expense. They say, 'Well, as long as it doesn't take away from profits too much, we can live with it.' But I say if *any* of it can be prevented, why let accidents eat into your profits at all?"

Advanced Care's Webster concurs. "It's surprising to me that a lot of companies don't have fleet-safety programs, but it's not because fleet administrators in general aren't aware of the need," she says. "The first big step is getting management to commit. You'll never have an effective program until they're committed — from the president at the top down to the managers in the field."

One possible route to that commitment? Let your CEO take a ride with Ms. Webster, the self-confessed "safety freak." AF

Change is in the wind for the dealer franchise system. Many say market pressures may make change inevitable. Despite such pressures, change will not take place without a stiff fight from dealers.

The Franchise System: An Anachronism?

When predicting change in the automotive business, most prognosticators sooner or later zero-in on the dealer franchise system. It's an easy target. Almost everyone is certain that the franchise of tomorrow will be different than today's. Where the difficulty lies is predicting *how* franchises will be different. *Automotive Age* magazine recently tackled this subject. Its managing editor, Chuck Bohon, comprehensively reviewed the franchise system from its start to the present and offered interesting speculation on its future. At the heart of Bohon's analysis is the query: Can the franchise system remain unchanged within a changing industry? The consensus among participants was "no." In an interview with *Automotive Fleet*, Bohon says his investigation revealed that there will be profound changes within the automobile retailing business.

"By the end of the century, which is only 14 years away, today's dealers will not be able to recognize the market," he says.

The pressure to keep manufacturing and retail costs down, especially in the market's low-end, will be one factor causing this change. Many of the interviewees foresee these cost pressures intensifying to where there will be little manufacturer profit and even less profit for the franchise.

AUTOMOTIVE AGE
FRANCHISE SYSTEM
Part I
Does it have a future?
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Front cover of the September 1985 issue of Automotive Age magazine.

"Change is taking place for a reason," Bohon says. "The franchise may not be the most efficient way to sell cars." Dealers, themselves, are seeking new ways to efficiently sell large volumes of cars. In some areas, auto malls offering multiple car makes are replacing dealers with single location franchises. However, most observers feel the manufacturers pose the greatest challenge to the franchise system.

Down to Brass Tacks

The most recent attempt to change the franchise system was spearheaded by Porsche. The West German manufacturer proposed a plan where its dealers would receive an eight percent sales commission for each car sold. Eliminated would be the 18 percent discount off the price of new models available to dealers under the present franchise system. Porsche felt there would be no need for the 18 percent franchise discount with its dealers operating as commissioned sales agents. Instead, the would-be proposal created 40 Porsche-owned distribution centers to warehouse cars while dealers were allocated a few sample cars for customers. The dealer would make the sale but, in the final analysis, the customer would be buying direct from the Porsche distribution center. In addition, the distribution centers would provide warranty and service work. Porsche sought to sell the concept to its dealers as a way to save on floorplanning and interest rates by not having to fund cars in inventory. The new arrangement would also have made it easier to meet any customer's desires since a dealer wouldn't be restricted to selling from his limited inventory. No longer would a sale be lost because the car wasn't the right color or didn't have the right options. However, Porsche scrapped the plan following an onslaught of dealer anti-trust lawsuits. Porsche's dealers had won — but only because they fought back.

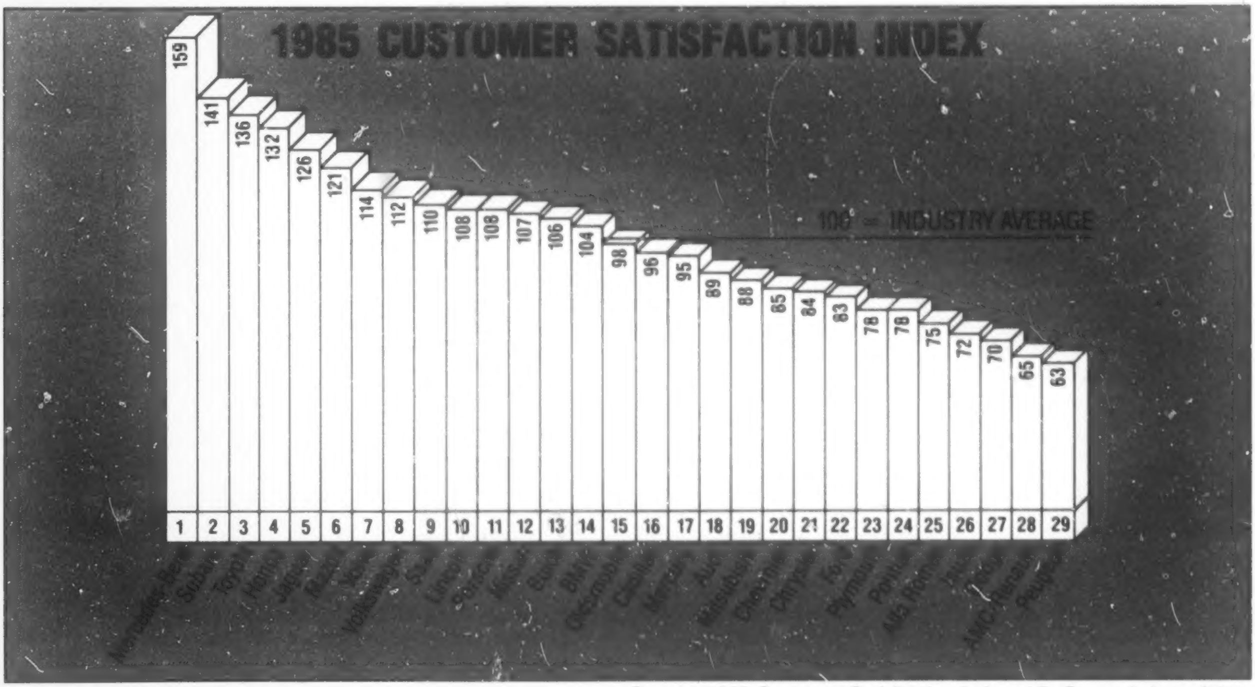
Presently, dealers are concerned with the trend among manufacturers to develop separate franchises for specific new models. It's not a new trend. When the Cimarron was introduced, it was limited to "exclusive" Cadillac dealers. Nowadays, a special franchise agreement is required for Lincoln-Mercury dealers to sell Merkurs. Industry analysts see franchise-specific models as the wave of the future. When discussing such cars, it is impossible not to focus on GM's Saturn program and its effort to develop a completely new franchise-selling system. In Bohon's article, one GM official says that General Motors would not be spending $3.5 billion simply to sell an extra 500,000 cars. That goal could be achieved for a fraction of the cost. The official asks rhetorically: Why would GM create a new franchise if it planned to do business the same way as before? Saturn is an effort to create a completely new way to do business, he adds. Bohon also reports the dealer rumor that the title to the Saturn vehicle will not be transferred to the dealer, but retained by GM until the car is sold to the retail customer. By retaining the title, Saturn would be able to determine vehicle prices and prevent dealers from charging more or less. This raises the possibility that factories could ultimately control a dealer's profitability. Despite these concerns, there will most likely be no shortage of dealers looking to become Saturn franchises.

In the *AF* interview, Bohon says the notion of franchise-specific nameplates could conceivably offer manufacturers an intriguing way around the fleet subsidy dilemma. "A 'fleet' model could be created to be sold only to 'fleet operators.' A traditional franchise couldn't sell the 'fleet' model because it's not covered in their franchise agreement," he says.

Dealer Day in Court

Changing the franchise system will not occur without a fight. Dealers are in a very strong position to protect their franchises. Over the years, the dealer's franchise position has become protected to where it is extremely difficult for a factory to terminate a franchise. Manufacturers who want to alter or even eliminate franchised dealers are restrained by various "dealer day in court" laws. To eliminate a franchise, a manufacturer must provide proof that the dealer has not been acting in good faith. One way would be to allege that a dealer is not properly servicing cars. Customer satisfaction indexes, which log consumer complaints against specific dealers, could be used as evidence in franchise termination suits. Manufacturers insist that CSIs are internal programs used to assess how *both* they and their dealers are perceived by customers. Companies employing some form of customer satisfaction indexes include: Audi, Chrysler, Ford, General Motors, Jaguar, Mazda, Mercedes-Benz, Nissan, Toyota, and Volkswagen. The first such index was started in 1979 by General Motors to help decide on franchise renewals, the granting of new franchises, or multiple franchise locations.

"The problem with the franchise system is that it is perceived as not working well for domestic manufacturers," says Bohon. "The best thing a dealer can do to ensure the survival of the franchise system is sell a lot of cars for the manufacturer." AF



Source: 1985 Customer Satisfaction Index, J.D. Power & Associates.

In a recent speech to AALA, Dr. John Hemphill of J.D. Power & Associates felt bullish about the future of auto sales. This article, an adaptation of his speech, heralds the start of a new era in the automotive industry.

The Age of the Consumer

For the first time in the history of the industry, I think we can truly say we are entering the age of the consumer.

Prior to 1970, the Big Three dominated the market. These manufacturers called the shots, principally GM, on product and pricing. With market power so concentrated, very little competition existed.

Then the 1970's hit. Safety, emissions, and fuel economy regulation affected the factories and the consumer. Two fuel crises produced wild swings in consumer preferences, and manufacturer responses to the situation were more often knee-jerk reactions rather than organized attempts to meet new challenges. The economy was erratic as well, and this contributed to a decade of volatility.

The Japanese found a market clamoring for fuel-efficient vehicles. Consumers bought these vehicles in droves and found them reliable, convenient to drive, *and* economical to operate. Because of this, the import share of the market rose to nearly 30 percent in 1979 and 1980. Then came Voluntary Restraint Agreement (VRA) — four years' worth of artificial supply limitation. Even during the deepest recession in automobile sales throughout this time, the import share reached record levels.

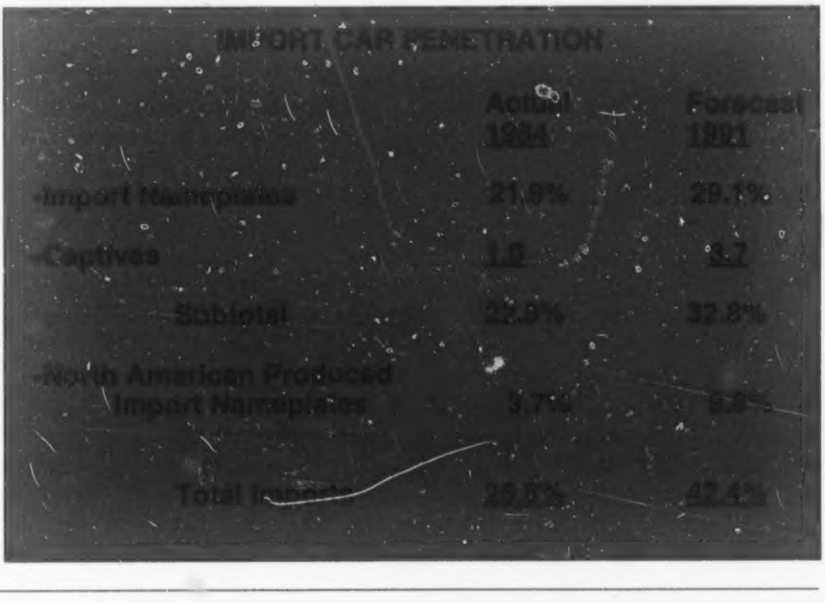
Well, earlier this year, the ball game changed. The consumer took over, and the competitive dogfight began. Clearly, a new era has been initiated in automotive history. I call it the Age of the Consumer. Let's see what it means.

First of all, we are very bullish about achievable volumes in unit sales over the next five to six years. Every demographic factor is positive and competition will stimulate sales all along.

Several new players — some of them *major* — will enter the market: Acura, Austin Rover, Hyundai, Daihatsu, Suzuki, and Saturn. Volume goals: 20,000 to 500,000 units each.

By 1990, the Japanese will be building up to one million vehicles in North America, while the Europeans are gearing up for the battle as well — each side has a war plan for increasing their volume in the United States. Some players are going to be caught between the dog and the proverbial fire hydrant, but the good news is that the market will expand in size.

We see car volumes growing to 12 million in 1991. This year, 10.9 million units is realistic, if availability doesn't become a problem again as it did with the haulers' strike. Incidentally, the current APR financing may well create the largest single 40-day selling period in history — and I think this should



IMPORT CAR PENETRATION

	Actual 1984	Forecast 1991
-Import Nameplates	21.9%	29.1%
-Captives	1.0	3.7
Subtotal	22.9%	32.8%
-North American Produced Import Nameplates	3.7%	9.6%
Total Imports	26.6%	42.4%

BASE CASE FORECAST

	Volume (000)		
Calendar Year	Car	Truck	Total
1985	10,900	4,400	15,300
1987	11,300	4,500	15,800
1989	11,600	4,600	16,200
1991	12,000	4,600	16,600

demonstrate to you just how price-sensitive the market really is.

Truck volumes will level off at around 4.6 million, up from 4.4 million this year. Car volumes will grow because of a combination of market and product/price forces.

Five segments will be the most active in both competition and growth:

•The lifting of VRA paves the way for low-priced mini-cars. Sprint and Yugo are the only ones here now, but at least seven other automakers have product ready for this segment, including VW, Subaru, Nissan, Honda, Mitsubishi, KIA, Daewoo, and Mazda. The minis will steal sales from used cars and will add incremental volumes to the new-car market (an estimated 650,000-unit market in 1988).

•Sports and sporty cars will heat up. More "pocket rockets" will enter, adding to the RX7, MR2, XT, CRX, and Fiero segment.

•Luxury cars will perhaps be the *most* active as the Japanese step up in product, and as the Europeans heat up their own marketing machine.

•Compact vans will see several (mostly Japanese) new entrants. Affecting the sales of station wagons, trucks, and full-size vans and sedans, this segment will grow to 600,000 units in three years time.

•Finally, sport-utility 4X4s will grow, principally with the emergence of the subcompact sport-utility vehicles. Suzuki is the first, but watch for two to three other players here in the next two years. These are serious, multi-purpose vehicles, like minivans, that will erode compact pickup and subcompact car sales.

As you may have already guessed, we certainly see import share increasing over the next five to six years — from 27 percent in 1984 to just over 42 percent in 1991. Non-captives should capture nearly 40 percent of what will be a 12-million car sales a year.

•The effects on the domestics will not be even. GM is the most vulnerable, but will have the most captives. Nevertheless, we see GM losing four to six percentage points, resulting in a 36 to 37 percent share in 1991.

•Ford and Chrysler each will lose about one half of GM's projected decline.

•The domestics, especially GM, suffer from a troika of problems: 1) The age of the their current customers. 2) The production cost disadvantage. 3) The quality and customer satisfaction their products deliver.

Ideally, the domestics should have a median customer age of around 35 to 36 — the leading edge of the huge baby-boom segment. Instead, the median age is closer to 47. Products that are designed and marketed to reach younger buyers, or those that present a youthful image — such as Fiero, Camaro, Corvette, Cimarron, Firebird, and Alliance — come in *last* in their segment in customer satisfaction.

Also, there is a double whammy operating for the domestics. The younger the buyer, the more critical they are *and* the more likely they are to have higher expectations. So, not only is the age profile a problem, but specific models aimed at the younger buyer are not even close to delivering the customer satisfaction their competitors do. Geography makes a difference too.

When nameplates such as Cadillac lose ground in customer satisfaction you realize what a serious problem this is — especially when it's clear that older owners are far less critical and have lower expectations than younger buyers.

The age situation is likely to get worse. And it's not really an age-related phenomena as it is a generation gap. With the choices consumers will have due to competition, these younger buyers' expectations and standards will keep on rising. The industry stimulates this as well, by heralding "quality as job one," "sweating the details," "Mr. Goodwrench," "you can have it all," and other claims about improvements and commitments.

Only two domestics out of 14 nameplates are above average in customer satisfaction — Lincoln (10th) and Buick (13th). This is based, *not* on image or reputation, but on what owners say and how they rate their own purchase 13 months after taking delivery.

Domestics certainly have made gains, Ford and Lincoln especially, but the Japanese are a moving target — and the Japanese still have a pure production cost advantage of around $1,200 per car that goes up with car size.

Let's return to examine some more fundamentals about the market and why we'll see robust sales, even though not all players will share equally in the market growth.

What I want to cover now are some significant consumer trends.

The first is the tremendous growth in multiple vehicle-owning households. The growth will be greatest in the 2+ vehicle households. Multiple vehicle households are changing the way people buy automobiles.

•It's no longer a one-on-one situation. Most decisions are shared-purchase transactions. Early in '85, we completed a study for *Family Circle* magazine about women-involved purchase decisions and we found that 81 percent of buying decisions have a woman involved either solely, equally, or to some important degree with a man.

•Also, decisions are being made on the basis of the condition and use of the family fleet of vehicles. Where and how the new vehicle fits in is prime, not the single decision-maker selecting on the basis of his own personal requirements.

The second trend is to note that we will experience only about half the growth in licensed drivers in this decade compared to the 1970's. Healthy expansion — the pie is still growing — but not as fast.

The baby-boomers are the heart and soul of the market. They currently buy one in ten new automobiles and their influence will quadruple in the next four to five years. With a leading age edge of 40, they are the ones with the high expectations. Forget about the "yuppies" — they represent too small of a group and too narrow of a stereotype. The market comes from the baby-boomers. Simply put, the manufacturer simply cannot survive unless it captures and retains a franchise in this age segment.

The doomsdayers who, during the depth of the recession, said that America's love affair with the automobile was over, were way off the mark. Americans show higher than ever interest in the new technology, designs, and body types. At any particular point in time, 15 million consumers will say they intend to purchase within 12 months, and half of them are actively examining, screening, and shopping for their "dream machine." Another bogus prediction by some analysts was that the trade-in cycle had permanently been changed to five or six years. This would be serious if it was true, but it is not. The cycle remains steady at 4.2 to 4.8 years.

> *The market will be a dogfight between manufacturers. It won't be enough to have the right product.*

Let me summarize to this point by noting several crucial trends:

•The concept of *performance* is broadening and it depends on the buyer and his or her criteria. Along with downsizing and fuel efficiency, consumers have shifted their emphasis to handling, ride, and responsiveness.

•I've already mentioned customer satisfaction. We estimate that each owner directly influences an average of five other prospective buyers during the first year of ownership. The factories are emphasizing customer satisfaction because their dealers control most of the post-sale experience, and therefore the dealers heavily influence word-of-mouth advertising.

•Again, expectations are rising and the factories themselves are contributing to this. The average new-car buyer receives at least three separate questionnaires from the manufacturer asking him or her to report on experiences with the product and the dealer. This attention from the factory makes the customer more sensitive to the purchase and the results.

•Interest in new technology and designs. This is another result of downsizing and the decreasing emphasis on brute power. Consumers notice the nuances in design, the attention to detail, the fit and finish, and the quality of materials utilized. Also, new or improved technology tends to receive increased interest — turbocharging, four-wheel-drive, ABS, and advanced electronics all receive high and favorable levels of purchase consideration.

•Finally, loyalty. Whether it is manufacturer, nameplate, bodystyle, design, vehicle type, or dealer, loyalty is deteriorating. However one chooses to measure it, loyalty is becoming an artifact of the past.

But here's some good news for the domestics. There have been sizeable advances since OPEC rocked the domestic industry for the second time round. At one point, Chrysler was on the edge of disaster. Still, the industry was gearing up to invest an historic amount of capital into new products and production upgrading.

It looks like it paid off, until the numbers are reviewed. One study shows that of the prospective purchasers who would consider GM for their next vehicle, 63 percent of them will also consider Ford, and nearly a third will consider a Japanese vehicle as well.

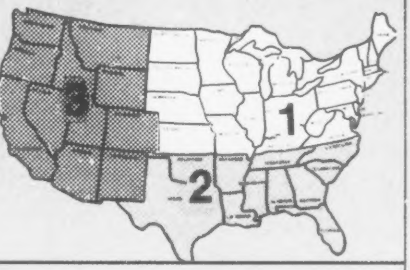
Cross-consideration is even higher for both Ford and Chrysler. Statistics show that those who would first consider a Japanese vehicle are the least loyal to their nameplate — well over half of those purchasers would also consider GM or Ford.

Compared to even five years ago, these percentages now are at least 10 percentage points higher. This is due to higher prices, rapidly changing product designs, the proliferation of new vehicle types, and perceptions of product quality. In short, good, healthy, and fierce competition has finally given the consumer the upper hand.

In closing, I'd like to return to my main theme. We are entering the age of the consumer. The automobile market will be a dog fight between manufacturers. It won't be enough to have the right product. The consumer's perceptions of quality and the manufacturer's reputation, along with competitive prices will be the key.

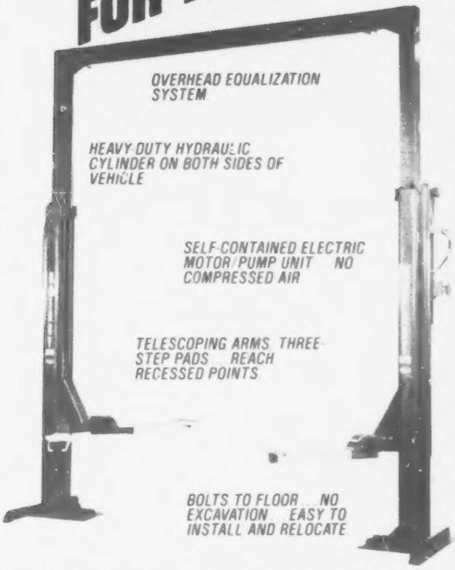
USED CARS

The following are average car prices for the period ending January 15, 1986. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically on IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone 3**
83 AMC ALLIANCE			
Sdn 4DR L Series	3070	3100	3040
83 AMC CONCORD			
Sdn	3315	3349	3282
Sta Wgn	3501	3536	3465
83 BUICK SKYLARK			
Sdn Custom	3888	3927	3849
82 BUICK SKYLARK			
Sdn	3186	3218	3154
83 BUICK REGAL			
Sdn	5091	5143	5040
Cpe	5235	5287	5182
82 BUICK REGAL			
Turbo Cpe	4653	4700	4606
Cpe	4506	4551	4461
83 BUICK CENTURY			
Sdn Custom	5094	5144	5043
82 BUICK CENTURY			
Sdn Custom	4312	4355	4269
83 CADILLAC			
Cpe DeVille	8626	8713	8540
Sdn DeVille	8577	8664	8491
82 CADILLAC			
Cpe DeVille	7095	7166	7025
Sdn DeVille	7047	7118	6977
83 CHEVY			
Chvt Htchbk 4-Dr	2327	2350	2304
Camaro Cpe 8	5688	5746	5631
82 CHEVY			
Chvt Htchbk 4-Dr	1838	1855	1819
Camaro Cpe 8	4914	4963	4865
83 CHEVY CELEBRITY			
Sdn	4600	4647	4554
82 CHEVY CELEBRITY			
Sdn	3886	3925	3847
83 CHEVY CAVALIER			
Sdn	3952	3993	3913
82 CHEVY CAVALIER			
Sdn	2767	2794	2740
83 CHEVY CITATION			
Cpe 6	3096	3127	3064
82 CHEVY CITATION			
Cpe 6	2386	2410	2362
83 CHEVY MALIBU			
Clas Sdn	4461	4505	4417
Clas Sta Wgn	4644	4690	4597
82 CHEVY MALIBU			
Clas Sdn	3744	3782	3706
Clas Sta Wag	3908	3947	3869
83 CHEVY MONTE CARLO			
Cpe	5290	5343	5237
82 CHEVY MONTE CARLO			
Cpe	4425	4470	4381
83 CHEVY IMPALA			
Sdn	4828	4877	4779
82 CHEVY IMPALA			
Sdn	3875	3914	3836
Wgn 9	4028	4068	3988
83 CHEVY CAPRICE			
Sdn	5408	5462	5354
Sta Wag	5596	5652	5540
83 CHRYSLER			
E-Class Sdn	4600	4869	4773
82 CHRYSLER			
New Yorker Sdn	5760	5818	5702
83 DODGE OMNI			
4 Dr Cust	2904	2933	2874
82 DODGE OMNI			
4 Dr Cust	2220	2242	2198
83 DODGE ARIES			
Cpe	3342	3376	3308
82 DODGE ARIES			
Sdn	2570	2595	2544
83 DODGE DIPLOMAT			
Sln Sdn	3897	3936	3859
82 DODGE DIPLOMAT			
Sln Sdn	3145	3177	3114
83 FORD FAIRMONT			
Futura 6-Cyl Sdn 4 Dr	3366	3400	3333
82 FORD FAIRMONT			
Futura Sdn 4-Dr	2666	2692	2639
83 FORD MUSTANG			
L-Cpe 4	3746	3783	3708
82 FORD MUSTANG			
L-Cpe 4	3012	3042	2982
83 FORD LTD			
Sdn	3678	3917	3839
82 FORD LTD			
Sdn	3943	3982	3904
83 FORD ESCORT			
Htchbk 4 Dr	2856	2884	2827
83 FORD CROWN VIC			
Sdn	6031	6092	5972
82 FORD CROWN VIC			
Sdn	4668	4715	4621
83 FORD THUNDERBIRD			
Cpe	5529	5585	5474
82 FORD THUNDERBIRD			
Cpe	4353	4396	4309
83 LINCOLN CONTINENTAL			
Sdn	10618	10725	10511
Mark VI Cpe	10836	10945	10728
82 LINCOLN CONTINENTAL			
Sdn	8625	8712	8539
Mark VI Cpe	8889	8978	8800
83 MERCURY COUGAR			
Cpe	5624	5681	5568
82 MERCURY COUGAR			
GS Cpe	3267	3300	3234
83 MERCURY LYNX			
HtchBk 2-Dr	2815	2843	2786
83 MERCURY MARQUIS			
Sdn	3924	3963	3885
82 MERCURY MARQUIS			
Sdn	4163	4205	4122
Wgn-2S	4293	4336	4250
83 OLDS CIERA LS			
Cpe	5021	5071	4970
Sdn	5085	5136	5034
83 OLDS CUTLASS SUPREME			
Cpe	5541	5596	5486
Sdn	5387	5441	5333
82 OLDS CUTLASS SUPREME			
Sdn	4567	4613	4522
Cpe	4746	4794	4698
83 OLDS DELTA 88			
Sdn	5371	5425	5318
82 OLDS DELTA 88			
Sdn	4094	4135	4053
83 OLDS DELTA 98			
Sdn	7410	7484	7336
82 OLDS DELTA 98			
Sdn	6048	6108	5987
83 OLDS OMEGA			
Sdn	3888	3927	3849
82 OLDS OMEGA			
Sdn	3186	3218	3154
83 OLDS FIRENZA			
Sdn	4140	4182	4098
82 OLDS FIRENZA			
Sdn	3435	3469	3401
83 PLYMOUTH HORIZON			
4 Dr Htchbk	2824	2853	2795
83 PLYMOUTH RELIANT			
Cpe	3352	3385	3318
82 PLYMOUTH RELIANT			
Cpe	2560	2585	2535
83 PONTIAC FIREBIRD			
Cpe 8	5748	5804	5690
83 PONTIAC 6000			
Cpe	4782	4830	4734
Sdn	4847	4896	4798
82 PONTIAC 6000			
Cpe	4074	4115	4033
83 PONTIAC GRAND PRIX			
Cpe	5460	5513	5405
83 VOLKSWAGEN JETTA			
4 Dr Sdn	4939	4988	4889
82 VOLKSWAGEN JETTA			
4 Dr Sdn	4190	4232	4147
83 VOLKSWAGEN L SERIES			
2 Dr Htchbk	3606	3642	3570
82 VOLKSWAGEN RABBIT			
2-Dr Htchbk	2821	2848	2793
83 DATSUN			
Sentra 2 Dr Std Sdn	3213	3245	3181
Stanza Hbk 4 Dr Dlx	4379	4422	4335
82 DATSUN			
210 Std 2 Dr	2330	2354	2307
Sentra 2 Dr Std Sdn	2639	2666	2612
Stanza Hbk 4 Dr	3589	3625	3554
83 TOYOTA			
Corolla Sedan 2 Dr	3968	4007	3928
Celica St	5709	5765	5651
Camry Sedan	6450	6514	6385
82 TOYOTA			
Corolla 2 Dr Sdn	3207	3239	3176
Celica St Cpe	4660	4706	4613

LOOK TO ROTARY FOR FREEDOM!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For further details contact your local Rotary Lift representative, or write: Rotary Lift Division, Dover Corporation, P.O. Box 30205, Airport Station, Memphis, Tennessee 38130. Phone toll-free: 1-800-445-LIFT (5438). Inside Tennessee: 1-901-345-2900.

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Rotary

Circle 154 on Inquiry Card

GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Birmingham, AL	146.4	117.9
Kingman, AZ	165.9	130.4
Oakland, CA	157.9	116.9
New Haven, CT	143.9	124.9
Gainesville, FL	147.4	125.9
Augusta, GA	135.4	118.4
Waterloo, IA	146.0	125.0
Joliet, IL	156.0	124.4
Bowling Green, KY	143.4	112.4
Kalamazoo, MI	157.9	125.9
St. Louis, MO	129.5	107.2
Syracuse, NY	140.4	128.2
Eugene, OR	139.4	n/a
Knoxville, TN	148.9	119.9
Houston, TX	142.9	107.8

Survey conducted during the first five working days of January 1985. Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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MAINTENANCE

- Actual Costs
- Shop Layout

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When you put your key executives in Cadillacs, you're rewarding the people at the top of their field with the car that's at the top of its field. Cadillac has been America's luxury leader for 37 straight years.

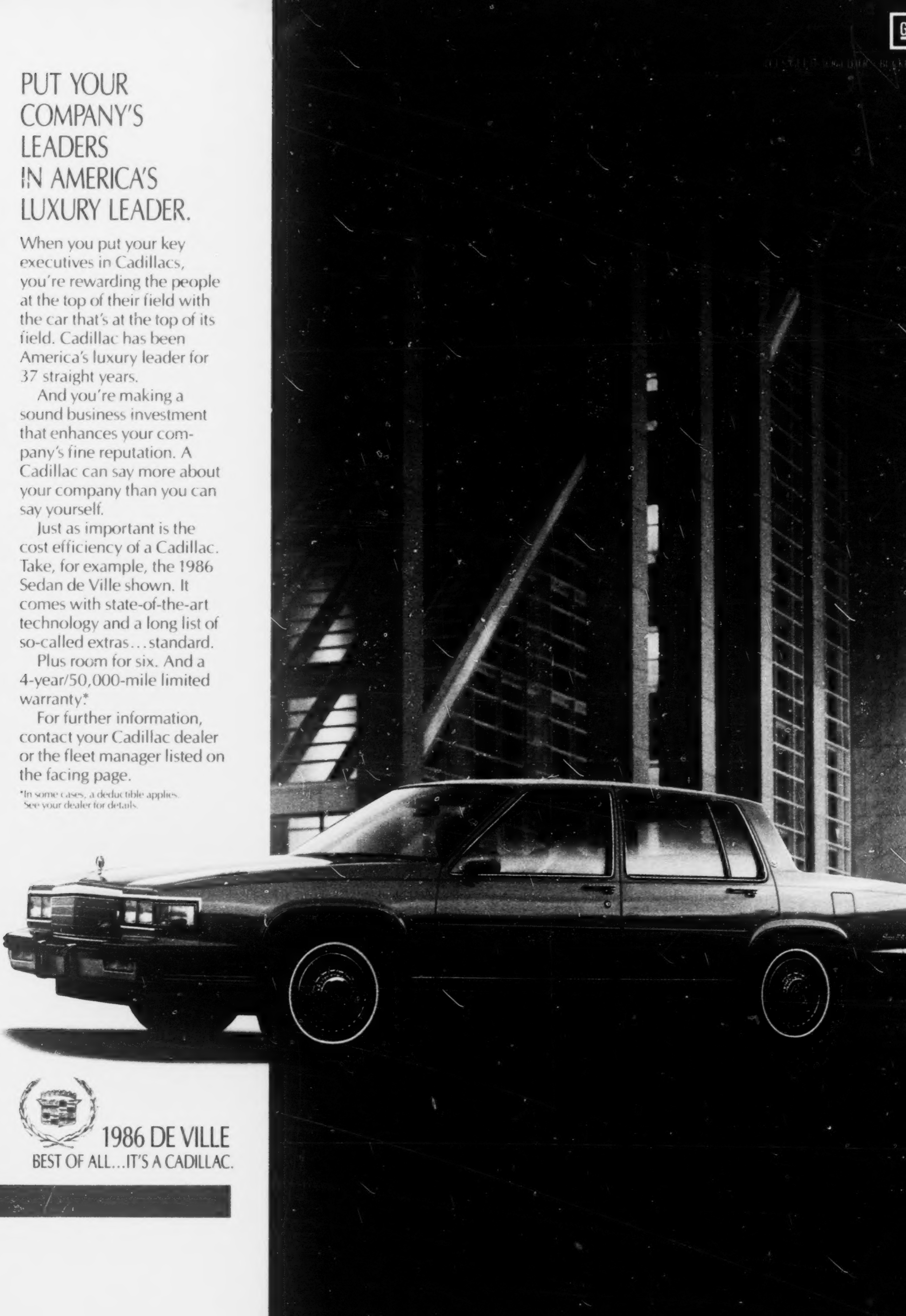
And you're making a sound business investment that enhances your company's fine reputation. A Cadillac can say more about your company than you can say yourself.

Just as important is the cost efficiency of a Cadillac. Take, for example, the 1986 Sedan de Ville shown. It comes with state-of-the-art technology and a long list of so-called extras... standard.

Plus room for six. And a 4-year/50,000-mile limited warranty.*

For further information, contact your Cadillac dealer or the fleet manager listed on the facing page.

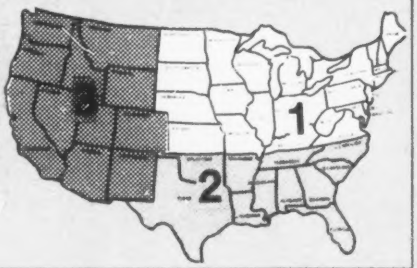
*In some cases, a deductible applies. See your dealer for details.



1986 DE VILLE
BEST OF ALL... IT'S A CADILLAC.

USED CARS

The following are average car prices for the period ending February 5, 1986. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically on IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



AVERAGE AUCTION PRICE Model	Zone 1	Zone 2	Zone 3
83 AMC ALLIANCE			
Sdn 4DR L Series	2993	3022	2964
83 AMC CONCORD			
Sdn	3249	3282	3216
Sta Wgn	3614	3650	3577
83 BUICK SKYLARK			
Sdn Custom	3791	3829	3753
82 BUICK SKYLARK			
Sdn	3106	3138	3075
83 BUICK REGAL			
Sdn	5015	5066	4964
Cpe	5156	5208	5104
82 BUICK REGAL			
Turbo Cpe	4560	4606	4514
Cpe	4416	4460	4372
83 BUICK CENTURY			
Sdn Custom	4992	5041	4942
82 BUICK CENTURY			
Sdn Custom	4226	4268	4184
83 CADILLAC			
Cpe DeVille	8453	8539	8369
Sdn DeVille	8405	8491	8321
82 CADILLAC			
Cpe DeVille	6953	7023	6884
Sdn DeVille	6906	6976	6837
83 CHEVY			
Chvt Htchbk 4-Dr	2280	2303	2258
Camaro Cpe 8	5603	5660	5547
82 CHEVY			
Chvt Htchbk 4-Dr	1801	1818	1783
Camaro Cpe 8	5603	5660	5547
83 CHEVY CELEBRITY			
Sdn	4485	4531	4440
82 CHEVY CELEBRITY			
Sdn	3789	3827	3751
83 CHEVY CAVALIER			
Sdn	3873	3913	3835
82 CHEVY CAVALIER			
Sdn	2712	2738	2685
83 CHEVY CITATION			
Cpe 6	3019	3049	2987
82 CHEVY CITATION			
Cpe 6	2326	2350	2303
83 CHEVY MALIBU			
Clas Sdn	4349	4392	4307
Clas Sta Wgn	4528	4573	4482
82 CHEVY MALIBU			
Clas Sdn	3650	3687	3613
Clas Sta Wag	3810	3848	3772
83 CHEVY MONTE CARLO			
Cpe	5211	5263	5158
82 CHEVY MONTE CARLO			
Cpe	4359	4403	4315
83 CHEVY IMPALA			
Sdn	4731	4779	4683
82 CHEVY IMPALA			
Sdn	3797	3836	3759
Wgn 9	3947	3987	3908
83 CHEVY CAPRICE			
Sdn	5300	5353	5247
Sta Wag	5484	5539	5429
83 CHRYSLER			
E-Class Sdn	4506	4553	4463
82 CHRYSLER			
New Yorker Sdn	5390	5443	5336
83 DODGE OMNI			
4 Dr Cust	2846	2874	2817
82 DODGE OMNI			
4 Dr Cust	2176	2197	2154
83 DODGE ARIES			
Cpe	3275	3308	3242
82 DODGE ARIES			
Sdn	2506	2530	2480
83 DODGE DIPLOMAT			
Sln Sdn	2624	2654	2603
82 DODGE DIPLOMAT			
Sln Sdn	3082	3113	3052
83 FORD FAIRMONT			
Futura 6-Cyl Sdn 4 Dr	2889	2917	2860
82 FORD FAIRMONT			
Futura Sdn 4-Dr	2613	2638	2586
83 FORD MUSTANG			
L-Cpe 4	3709	3745	3671
82 FORD MUSTANG			
L-Cpe 4	2967	2996	2937
83 FORD LTD			
Sdn	3781	3819	3743
82 FORD LTD			
Sdn	3864	3902	3826
83 FORD ESCORT			
Htchbk 4 Dr	2799	2826	2770
83 FORD CROWN VIC			
Sdn	5910	5970	5853
82 FORD CROWN VIC			
Sdn	3864	3902	3826
83 FORD THUNDERBIRD			
Cpe	5446	5501	5392
82 FORD THUNDERBIRD			
Cpe	4288	4330	4244
83 LINCOLN CONTINENTAL			
Sdn	10459	10564	10353
Mark VI Cpe	10673	10781	10567
82 LINCOLN CONTINENTAL			
Sdn	8496	8581	8411
Mark VI Cpe	8756	8843	8668
83 MERCURY COUGAR			
Cpe	5540	5596	5484
82 MERCURY COUGAR			
GS Cpe	3202	3234	3169
83 MERCURY LYNX			
HtchBk 2-Dr	2759	2786	2730
83 MERCURY MARQUIS			
Sdn	3826	3864	3788
82 MERCURY MARQUIS			
Sdn	4059	4100	4019
Wgn-2S	4186	4228	4144
83 OLDS CIERA LS			
Cpe	4921	4970	4871
Sdn	4983	5033	4933
83 OLDS CUTLASS SUPREME			
Cpe	5458	5512	5404
Sdn	5306	5359	5253
82 OLDS CUTLASS SUPREME			
Sdn	4476	4521	4432
Cpe	4651	4698	4604
83 OLDS DELTA 88			
Sdn	5237	5289	5185
82 OLDS DELTA 88			
Sdn	3992	4032	3952
83 OLDS DELTA 98			
Sdn	7225	7297	7153
82 OLDS DELTA 98			
Sdn	5897	5995	5837
83 OLDS OMEGA			
Sdn	3791	3829	3753
82 OLDS OMEGA			
Sdn	3106	3138	3075
83 OLDS FIRENZA			
Sdn	4057	4098	4016
82 OLDS FIRENZA			
Sdn	3366	3400	3333
83 PLYMOUTH HORIZON			
4 Dr Htchbk	2768	2796	2739
83 PLYMOUTH RELIANT			
Cpe	4233	4276	4189
82 PLYMOUTH RELIANT			
Cpe	2498	2520	2472
83 PONTIAC FIREBIRD			
Cpe 8	5662	5717	5605
83 PONTIAC 6000			
Cpe	4750	4796	4702
Sdn	4686	4733	4639
82 PONTIAC 6000			
Cpe	3993	4033	3952
83 PONTIAC GRAND PRIX			
Cpe	5378	5430	5324
83 VOLKSWAGEN JETTA			
4 Dr Sdn	4766	4813	4719
82 VOLKSWAGEN JETTA			
4 Dr Sdn	3972	4012	3932
83 VOLKSWAGEN L SERIES			
2 Dr Htchbk	3480	3515	3445
82 VOLKSWAGEN RABBIT			
2-Dr Htchbk	2722	2749	2695
83 DATSUN			
Sentra 2 Dr Std Sdn	3117	3148	3086
Stanza Hbk 4 Dr Dlx	4248	4290	4205
82 DATSUN			
210 Std 2 Dr	2260	2282	2238
Sentra 2 Dr Std Sdn	2560	2585	2535
Stanza Hbk 4 Dr	3481	3516	3446
83 TOYOTA			
Corolla Sedan 2 Dr	3809	3848	3771
Celica St	5481	5535	5426
Camry Sedan	6192	6254	6131
82 TOYOTA			
Corolla 2 Dr Sdn	3079	3109	3048
Celica St Cpe	4474	4519	4428

PRODUCTS

tory, and fuel management. The multi-level software package interfaces with most major automated fuel dispensing systems and operates on IBM, PC, XT, AT, and compatible microcomputers. *The Beta Group*.

Circle 218 on Inquiry Card

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Circle 219 on Inquiry Card

GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Juneau, AK	163.0	145.9
Little Rock, AR	131.5	102.9
Whittier, CA	139.9	107.9
Jacksonville, FL	135.9	110.2
Valdosta, GA	147.9	115.4
Bowling Green, KY	142.4	103.4
St. Louis, MO	123.9	98.2
Trenton, NJ	102.9	N/A
Toledo, OH	127.9	104.2
McAlester, OK	114.0	99.4
Philadelphia, PA	135.9	116.8
Columbia, SC	152.4	111.9
El Paso, TX	128.5	104.5
Yakima, WA	169.9	130.9
Milwaukee, WI	132.9	108.9

Survey conducted during the first five working days of February 1986.
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automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

Top 100

Big '86 Buys

Chrysler's New P-Cars

Fleet Manager Award Nominees

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CHEVROLET FLEET SALES

Circle 101 on Inquiry Card

Top Twenty-Five Business/Commercial Light-Truck & Van Fleets

'86	'85	Company	Contact	# Lt. Trucks and Vans
1.	1.	Sears Roebuck & Co. Chicago, IL	William H. Jones, III	13,800
2.	3.	Federal Express Corp. Memphis, TN	Jim Wheeler	13,400
3.	2.	Frito-Lay, Inc. Dallas, TX	Gorman R. Green Charles Loveless	12,786
4.	4	Continental Baking Co. St. Louis, MO	Paul J. Walsh	8,160
5.	5.	ARA Services Philadelphia, PA	Ralph Jamic	5,080
6.	8.	Purolator Service, Inc. Basking Ridge, NJ	Jack Neusch	4,500
7.	13	Xerox Rochester, NY	Ron Pink	4,400
8.	—	Allegheny Beverage Cheverly, MO	Jeff Mann	4,250
9.	6.	Union Pacific System Omaha, NE	John Dyer	3,600
10.	16.	Westinghouse Pittsburgh, PA	Lou Dobak	3,433
11.	10.	Shell Oil Co. Houston, TX	Eunice Stigall	3,395
12.	7.	Interstate Brands Corp. Kansas City, MO	David Wiseman	3,361
13.	11.	Rollins, Inc. Atlanta, GA	Bob Holloman	3,350
14.	12.	Goodyear Akron, OH	A.P. Spencer	3,280
15.	20.	Canteen Corp. Chicago, IL	Mark Klein	3,200
16.	22.	Union Carbide Corp. Danbury, CT	Walt Dzitko	3,000
17.	14.	Phillips Petroleum Co. Bartlesville, OK	James I. Grillot	2,972
18.	9.	Amoco Corp. Chicago, IL	Richard Swanson	2,900
19.	18.	Exxon Co., USA Houston, TX	Jack Lamb John Dewees	2,800
20.	19.	W.R. Grace & Co. New York, NY	Edward Boheme	2,800
21.	—	General Electric Major Appliances Bus. Gp. Louisville, KY	Vic Miska	2,794
22.	15.	Tenneco, Inc. Houston, TX	J.R. "Jack" Gudelman	2,790
23.	17.	Burlington Northern RR St. Paul, MN	John Long	2,700
24.	—	Ashland Oil, Inc. Ashland, KY	Mary Lou Dougherty	2,594
25.	25.	Johnson Controls, Inc. Milwaukee, WI	Bob Borchert	2,551

Renault/Jeep®

Presents the
Seventh Annual

automotive FLEET

Frito Lay, Inc. Tupperware Digital Equipment Honeywell Pepsi Cola Minnesota Mining and Manufacturing Standard Oil Co. (Inc.) Church of Jesus Chris
of Latter Day Saints Ashland Oil Co. State Farm Insurance Westinghouse Borg Warner Corp. Shaklee Corp. Tenneco, Inc. ARA Services Dow Chemica
USA Union Carbide Corp./United Technologies Exxon Dresser Industries Goodyear Nabisco Shell Motorola Rollins Inc. IC Industries W.R. Grace & Co
Eastman Kodak Federal Express Corp. Burlington Northern Control Data Corp./Commercial Credit U.S. Steel General Electric Johnson Controls, Inc. Teledyne
nc. Phillips Petroleum Co. Purolator Services, Inc. Aetna Life & Casualty Proctor & Gamble Co. Revlon Inc. Canteen Corp. Gulf Oil Corp. N.L. Industries
nc. PPG Industries Transamerica Corp. Travelers Insurance Brown & Root, Inc. Cigna Corp. Diebold Inc. Marathon Oil Montgomery Ward Continenta

TOP 100

nsurance Gulf &
RR Champion Interna
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FMC Corporation
Pfizer Inc. Union
Upjohn Company
Bank of America
Niagara Mohawk
Vausau Insuranc
Business Forms
McDonalds Abbo
Digital Equipmen
Honeywell Pepsi Cola Minn
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Mills Crawford & Co. Philip
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Products, Inc. Hoffman LaRo
Pacific RR Smith Kline Corp. Reliance
Electric Kraft, Inc. Liberty Mu
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USF&G Insurance Brown & Williamson
Fireman's Fund Bell & How
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nc. Canteen Corp. Gulf Oil C
Inc. Cigna Corp. Diebold
nc. Marathon Oil Montgomery
rris U.S.A. GAB Business
Services Seaboard System RR
Chessie System Railroad
Cities Service Foundation FMC
Mutual Greyhound Corp
Hewlett Packard Getty Refining
ds SMC Corp. Household
Finance Ingersoll Rand Niagara
Howell Co. Eaton Corp
St. Regis Paper Co. Moore Bu
Sears, Roebuck & Co
Xerox Frito Lay, Inc. Tupperwa
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Mohawk Wausau Insurance Co
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orms McDonalds Abbott Labs Sherwin Williams Co. Keebler Co. A.B. Dick Co. Lorillard Sears, Roebuck & Co. Xerox Frito Lay, Inc. Tupperware
rito Lay, Inc. Tupperware Digital Equipment Honeywell Pepsi Colc Minnesota Mining & Manufacturing Standard Oil Co. (Inc.) Church of Jesus Christ o
atter Day Saints Ashland Oil Co. State Farm Insurance Westinghouse Borg Warner Corp. Shaklee Corp. Tenneco, Inc. ARA Services Dow Chemicna USA

How AF's Seventh Annual Top 100 List Was Developed

Publishing our seventh annual *Top 100* list permits us more accuracy than ever, since only a few companies remain timid about responding precisely to our survey. There is strong evidence that most companies are not only most cooperative, but proud of their ultimate ranking and of how their own company might be improving positionwise.

Since our initial survey in 1979, the original guidelines have remained intact, namely, that only business/corporate fleets with centralized automotive control (or individual fleet segments of a fleet within that company) are given consideration. Our tracking from year to year indicates that the restriction accounts for the majority of changes, since shifts in the rankings naturally take place when a company merges, centralizes, or decentralizes.

Company-controlled cars are our basic factor, along with the number of light trucks (but not lift trucks, trailers, heavy trucks, etc.) Some larger firms, such as IBM, are generally on an employee-owned and mileage reimbursement system, and these companies are not listed.

Our research department checked both by mail and phone to verify each of nearly 150 companies from known large fleets on *AF*'s circulation list. We have updated not only the vehicles under direct control, but verified the fleet contact and whether the fleet is company-owned or fully- or partially-leased.

Our researchers learned some interesting facts this year, the first that Class III trucks have been included in the survey: Kraft, Inc., number 71 in '85, becomes Dart & Kraft Financial this year, thereby soaring into fifth place. Standard Oil of Indiana has become Amoco. And newcomers to the survey in '86 are Cox Enterprises, Inc., American Bakeries Co., Continental Baking, and Interstate Brands.

AUTOMOTIVE FLEET's TOP 100

Alphabetical Cross Reference

Company	Rank
ARA Services	12
Abbott Labs	85
Aetna Life & Casualty	36
Allegheny Beverage Corp.	27
American Bakeries Company	60
American Hoechst Corp.	96
Amoco Corporation	18
ARCO Resources Technology	59
Ashland Oil, Inc.	20
Avon Products, Inc.	65
Bank of America	70
Bell & Howell Co.	92
Borg Warner Corp.	15
Brown & Root	72
Brown & Williamson	93
Burlington Northern Railroad	42
Canteen Corp.	34
Chessie System Railroads	69
Church of Jesus Christ of Latter Day Saints	10
CIGNA Corp.	61
Continental Baking Company	8
Continental Insurance	55
Crawford & Co.	51
Control Data Corp./	
Commercial Credit	44
Cox Enterprises, Inc.	49
Dart & Kraft Financial Corp.	5
Diebold, Inc.	56
Digital Equipment	6
Dow Chemical USA	41
Dresser Industries	40
Eastman Kodak Co.	31
Eaton Corp.	94
Economics Laboratory	86
Eli Lilly Company	76
Exxon Co. USA	19
FMC Corp.	80
Farmers Insurance Group	66
Federal Express Corp.	4
Frito-Lay, Inc.	2
GAB Business Services	78
General Electric Maj. Appl. Business Group	52
General Foods Co.	57
General Mills	95
Goodyear	23
Greyhound Corp.	81
Hallmark Cards, Inc.	97
Hartford Insurance	58
Hewlett Packard, Southern Reg.	100
Hewlett Packard, Western Reg.	77
Hobart Corporation	98
Hoffman LaRoche	62
Honeywell	9
Household Finance	89
IC Industries	25
Ingersoll Rand	90
Interstate Brands Corp.	46
Johnson Controls, Inc.	35
Keebler Co.	82
Liberty Mutual Insurance Co.	88
Lorillard Co.	99
Marathon Oil Co.	47
McDonald's Corp.	87
Merck & Co., Inc.	74
Minnesota Mining & Manufacturing	13
Montgomery Ward	63
Motorola, Inc.	30
NL Industries, Inc.	64
Nabisco Brands, USA	32
PPG Industries	48
Pepsi Cola	75
Pfizer, Inc.	54
Philip Morris U.S.A.	53
Phillips Petroleum Co.	39
Procter & Gamble Co.	43
Purolator Service, Inc.	28
Reliance Electric	79
Revlon, Inc.	83
Rollins, Inc.	33
SCM Corp.	84
Seaboard System RR	50
Sears Roebuck & Co.	1
Shaklee Corp.	26
Shell Oil Co.	21
Smith Kline Corp.	68
State Farm Insurance	16
Teledyne, Inc.	37
Tenneco, Inc.	22
Transamerica Corp.	67
Travelers Companies	45
Tupperware	7
Upjohn Company	73
USF&G Insurance	91
U.S. Steel	38
Union Carbide Corp.	17
Union Pacific Systems	29
United Technologies Corp.	14
Van Pool Services, Inc.	71
W.R. Grace & Co.	24
Westinghouse	11
Xerox	3

TOP 100

'86 Rank	'85 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
1	1	Sears Roebuck & Co. Chicago, IL	William H. Jones, III	X	—	300	13,800	14,100
2	2	Frito-Lay, Inc. Dallas, TX	Gorman R. Green Charles Loveless	X	—	1,118	12,786	13,904
3	3	Xerox Rochester, NY	Ron Pink	—	LMV	9,500	4,400	13,900
4	4	Federal Express Corp. Memphis, TN	Jim Wheeler	X	ARI HLR Corp. FELCO	24	13,400	13,424
5	—	Dart & Kraft Financial Corp. Glenview, IL	Walter Tenclinger	X	Dart & Kraft	10,000	2,000	12,000
6	6	Digital Equipment Maynard, MA	Rick Catino	X	PH&H Gelco	9,201	1,238	10,439
7	5	Tupperware Orlando, FL	Bernie Janis Joe Fox Stan Harris	—	In-house Leasing (Dart & Kraft)	10,300	—	10,300
8	—	Continental Baking Co. St. Louis, MO	Paul J. Walsh	X	—	320	8,160	8,480
9	7	Honeywell Minneapolis, MN	Connie Wesley	—	Gelco PH&H	5,678	2,500	8,178
10	9	Church of Jesus Christ of Latter Day Saints Salt Lake City, UT	Don J. Benson	X	—	7,315	600	7,915

'86 Rank	'85 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
11	**11**	**Westinghouse** **Pittsburgh, PA**	**Lou Dobak**	**—**	**In-house Leasing, PH&H** **LFMC**	**4,398**	**3,433**	**7,831**
12	10	ARA Services Philadelphia, PA	Ralph Jamie	X	Gelco	2,633	5,080	7,713
13	**8**	**Minnesota Mining & Manufacturing** **St. Paul, MN**	**Tim R. Hoffmann** **H.P. Larson**	**X**	**—**	**6,218**	**1,245**	**7,463**
14	13	United Technologies Corp. Hartford, CT	Harold Tibbits	X	Dart & Kraft Gelco, PH&H	6,200	1,200	7,400
15	**12**	**Borg Warner Corp.** **Chicago, IL**	**Phyllis Howard**	**X**	**In-house Leasing**	**5,563**	**1,800**	**7,363**
16	14	State Farm Insurance Bloomington, IN	Tom Sours	X	—	7,037	175	7,212
17	**16**	**Union Carbide Corp.** **Danbury, CT**	**Walt Dzitko**	**X**	**Wheels**	**4,000**	**3,000**	**7,000**
18	15	Amoco Corporation Chicago, IL	Richard Swanson	X	—	3,200	2,900	6,100
19	**17**	**Exxon Co. USA** **Houston, TX**	**Jack Lamb** **John Dewees**	**X**	**—**	**3,000**	**2,800**	**5,800**
20	37	Ashland Oil, Inc. Ashland, KY	Mary Lou Dougherty	X	PH&H Gelco	3,200	2,594	5,794
21	**19**	**Shell Oil Co.** **Houston, TX**	**Eunice Stigall**	**X**	**—**	**2,255**	**3,395**	**5,650**
22	18	Tenneco, Inc. Houston, TX	J.R. "Jack" Gudelman	X	Fleet Services	2,847	2,790	5,637
23	**21**	**Goodyear** **Akron, OH**	**A.P. Spencer**	**X**	**—**	**1,855**	**3,280**	**5,135**

'86 Rank	'85 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
24	22	W.R. Grace & Co. New York, NY	Edward Boheme	X	PH&H	2,300 USFL	2,800	5,100
25	25	IC Industries Chicago, IL	E. Pierce Walsh Mary Anicich	X	Gelco	3,145	1,932	5,086
26	23	Shaklee Corp. San Francisco, CA	Peter D. Wood	X	In-house Leasing	5,000	50	5,050
27	—	Allegheny Beverage Corp. Cheverly, MD	Jeff Mann	X	—	750	4,250	5,000
28	33	Purolator Service, Inc. Basking Ridge, NJ	Jack Neusch	X	—	500	4,500	5,000
29	20	Union Pacific Systems Omaha, NE	John Dyer	X	Gelco	1,400	3,600	5,000
30	24	Motorola, Inc. Schaumburg, IL	Richard Kinzig	X	—	4,400	500	4,900
31	27	Eastman Kodak Co. Rochester, NY	Scott Thomas	X	PH&H	4,800	40	4,840
32	28	Nabisco Brands, USA E. Hanover, NJ	William Kiddle	X	—	3,110	1,575	4,685
33	29	Rollins, Inc. Atlanta, GA	Bob Holloman	X	B&M Equip. USFL, Wheels PH&H	1,200	3,350	4,550
34	40	Canteen Corp. Chicago, IL.	Mark Klein	X	—	1,000	3,200	4,200
35	39	Johnson Controls, Inc. Milwaukee, WI	Bob Borchert	X	Gelco Southgate	1,605	2,551	4,156
36	30	Aetna Life & Casualty Hartford, CT	Martin F. Crean	X	Gelco PH&H	3,850	250	4,100
37	35	Teledyne, Inc. Los Angeles, CA	Robert A. Forsey	X	—	2,800	1,200	4,000

'86 Rank	'85 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
38	**32**	**U.S. Steel** **Pittsburgh, PA**	**W.T. "Bill" Herlihy**	**X**	**ARI, LMV** **USFL**	**1,860**	**2,046**	**3,906**
39	31	Phillips Petroleum Co. Bartlesville, OK	James I. Grillot	X	—	907	2,972	3,879
40	**26**	**Dresser Industries** **Pittsburgh, PA**	**John K. Hutchison**	**—**	**In-house** **Leasing**	**2,700**	**1,144**	**3,844**
41	43	Dow Chemical USA Midland, MI	Tom Madden Sue Soper	—	CC/McCullagh Gelco, Wheels	2,500	1,235	3,735
42	**36**	**Burlington Northern RR** **St. Paul, MN**	**John Long**	**X**	**ARI, Gecal** **BankAmeriLease**	**1,000**	**2,700**	**3,700**
43	37	Procter & Gamble Co. Cincinnati, OH	Clarence O'Dell	X	—	3,600	—	3,600
44	**34**	**Control Data Corp./** **Commercial Credit** **Minneapolis, MN**	**Kathleen L. Wester**	**—**	**CC/McCullagh**	**3,200**	**400**	**3,600**
45	41	Travelers Companies Hartford, CT	Art Derderian	—	PH&H	3,423	—	3,423
46	**—**	**Interstate Brands Corp.** **Kansas City, MO**	**David Wiseman**	**X**	**—**	**—**	**3,361**	**3,361**
47	44	Marathon Oil Co. Houston, TX	Lois A. Smith	X	Wheels	1,030	2,150	3,180
48	**45**	**PPG Industries** **Pittsburgh, PA**	**Vic Pelletier**	**X**	**Leaseway**	**1,850**	**1,200**	**3,050**
49	—	Cox Enterprises, Inc. Atlanta, GA	Duane Berger	X	McCullagh ARI, Wheels	1,000	2,000	3,000
50	**48**	**Seaboard System RR** **Jacksonville, FL**	**Richard C. Cole**	**X**	**Dart & Kraft**	**763**	**2,150**	**2,913**
51	58	Crawford & Co. Atlanta, GA	B.L. Garrett	—	Calesco, Inc. In-house Leasing	2,785	30	2,815

'86 Rank	'85 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
52	56	General Electric Major Appliances, Bus. Grp, Louisville, KY	Vic Miska	X	GECC/Kerr In-house Leasing	—	2,794	2,794
53	55	Philip Morris U.S.A. New York, NY	Gregory J. Tarring	—	PH&H, Gelco	2,750	5	2,755
54	65	Pfizer, Inc. New York, NY	Gordon B. West	X	Gelco, Wheels PH&H	2,336	412	2,748
55	52	Continental Insurance Piscataway, NJ	William J. Benzie Victor Kaplij	X	PH&H	2,600	50	2,650
56	54	Diebold, Inc. Canton, OH	Dave Allton L. Taylor	—	PH&H	1,060	1,540	2,600
57	51	General Foods Co. White Plains, NY	Dan Quigley	X	Wheels	2,500	100	2,600
58	57	Hartford Insurance Hartford, CT	Ronald E. Weil	X	PH&H	2,520	80	2,600
59	53	ARCO Resources Technology, Dallas, TX	Bob Leaumont	X	—	875	1,656	2,531
60	—	American Bakeries Co. Charlotte, NC	R.G. Kearns	X	PH&H	125	2,400	2,525
61	61	CIGNA Corp. Philadelphia, PA	Timothy Hagarty	X	PH&H	2,350	175	2,525
62	62	Hoffman LaRoche Nutley, NJ	Dave Figurelli	—	PH&H Wheels	2,220	300	2,520
63	50	Montgomery Ward Chicago, IL	Roseann Neveitt	—	Gelco Leaseway	200	2,300	2,500
64	60	NL Industries, Inc. Houston, TX	Bernie Hodgeson	X	PH&H USFL	1,470	1,021	2,491
65	64	Avon Products, Inc. New York, NY	Maxine Sullivan	—	Gelco	2,400	69	2,469

'86 Rank	'85 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
66	**73**	**Farmers Insurance Group** **Pasadena, CA**	**Al Herzog**	**—**	**In-house Leasing**	**2,380**	**51**	**2,431**
67	42	Transamerica Corp. Los Angeles, CA	Bill Slothour	X	In-house Leasing	2,280	140	2,420
68	**72**	**Smith Kline Corp.** **Philadelphia, PA**	**Bill Haney** **Susan Gallagher** **John Mahoney**	**—**	**Wheels**	**2,240**	**135**	**2,375**
69	67	Chessie System Railroads Baltimore, MD	Robert C. Drury	X	ARI, BankAmeriLease, New England Merchants	867	1,495	2,362
70	**66**	**Bank of America** **San Francisco, CA**	**Don Dennler**	**X**	**—**	**2,060**	**290**	**2,350**
71	—	Van Pool Services, Inc. Detroit, MI	Kenneth C. Sieloff	X	—	562	1,739	2,301
72	**46**	**Brown & Root** **Houston, TX**	**Roger Ivey**	**X**	**—**	**300**	**2,000**	**2,300**
73	70	Upjohn Company Kalamazoo, MI	Judy Rafferty	X	Wheels Leaseway	2,000	300	2,300
74	**63**	**Merck & Co., Inc.** **Rahway, NJ**	**Alma Cristauro**	**—**	**PH&H**	**2,220**	**75**	**2,295**
75	97	Pepsi Cola Purchase, NY	Tony Vercillo Mike Ferdinandi	X	—	800	1,460	2,260
76	**74**	**Eli Lilly Company** **Indianapolis, IN**	**Vic Hasler** **Sue Webster** **Roger Greer**	**—**	**Wheels**	**2,073**	**175**	**2,248**
77	77	Hewlett Packard Western Region North Hollywood, CA	Craig Kundrotas	X	—	2,207	27	2,234
78	**69**	**GAB Business Services** **Parsippany, NJ**	**G.J. Keenan**	**X**	**PH&H** **Dart & Kraft**	**2,217**	**3**	**2,220**

'86 Rank	'85 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
79	75	Reliance Electric Cleveland, OH	Robert L. Burden Gary Hiles	X	Leaseway PH&H	1,500	700	2,200
80	68	FMC Corp. Chicago, IL	Lawrence Dakof	X	—	1,600	560	2,160
81	79	Greyhound Corp. Phoenix, AZ	Edward J. Bloomfield	X	PH&H	1,800	355	2,155
82	83	Keebler Co. Elmhurst, IL	Susan M. Stupak	—	Wheels Gelco	1,992	145	2,137
83	49	Revlon, Inc. New York, NY	R. Breault S. Iannone	—	PH&H Gelco	2,100	25	2,125
84	78	SCM Corp. Cleveland, OH	Nelson Hoffman	—	PH&H Wheels	1,800	300	2,100
85	84	Abbott Labs North Chicago, IL	Len Walecka	—	PH&H Wheels	1,940	150	2,090
86	85	Economics Laboratory St. Paul, MN	Tom Laumann	X	Gelco	1,571	487	2,058
87	89	McDonald's Corp. Oakbrook,IL	Jim Gorski Judy Baxter	—	PH&H	2,006	50	2,056
88	80	Liberty Mutual Insurance Co. Boston, MA	Barbara Feinberg	X	—	1,984	25	2,009
89	81	Household Finance Prospect Heights, IL	Mary Kowalski	—	Lend Lease	2,000	7	2,007
90	82	Ingersoll Rand Piscataway, NJ	Debra Donske	—	Wheels	1,394	610	2,004
91	86	USF&G Insurance Baltimore, MD	Charles H. Gittings	—	In-house Leasing	1,850	25	1,875
92	87	Bell & Howell Co. Skokie, IL	Mike Winfield	—	CC/McCullagh Wheels, ARI	1,800	10	1,810

'86 Rank	'85 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
93	**90**	**Brown & Williamson Tobacco Company** **Louisville, KY**	**Bob Whitfield**	**X**	**—**	**704**	**1,090**	**1,794**
94	88	Eaton Corporation Cleveland, OH	Robert J. Wagner	—	Dart & Kraft	1,509	210	1,719
95	**76**	**General Mills** **Minneapolis, MN**	**Henry Paetzel** **Dick Livermore**	**X**	**—**	**1,450**	**225**	**1,675**
96	99	American Hoechst Corp. Somerville, NJ	Jim Devine Isabel Bogusz	X	Wheels Gelco	1,408	175	1,583
97	**94**	**Hallmark Cards, Inc.** **Kansas City, MO**	**Helen Bland**	**X**	**—**	**1,475**	**75**	**1,550**
98	95	Hobart Corporation Troy, OH	Dan Wing Mark Welty	—	Dart & Kraft	500	1,050	1,550
99	**93**	**Lorillard Co.** **New York, NY**	**Sal Giacchi**	**—**	**Dart & Kraft** **Lend Lease**	**1,200**	**350**	**1,550**
100	—	Hewlett-Packard Southern Region Atlanta, GA	William D. Smith	X	—	1,491	28	1,519

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Brown & Williamson	93
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Church of Jesus Christ of Latter Day Saints	10
CIGNA Corp.	61
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Continental Insurance	55
Crawford & Co.	51
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Commercial Credit	44
Cox Enterprises, Inc.	49
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Eastman Kodak Co.	31
Eaton Corp.	94
Economics Laboratory	86
Eli Lilly Company	76
Exxon Co. USA	19
FMC Corp.	80
Farmers Insurance Group	66
Federal Express Corp.	4
Frito-Lay, Inc.	2
GAB Business Services	78
General Electric Maj. Appl. Business Group	52
General Foods Co.	57
General Mills	95
Goodyear	23
Greyhound Corp.	81
Hallmark Cards, Inc.	97
Hartford Insurance	58
Hewlett Packard, Southern Reg.	100
Hewlett Packard, Western Reg.	77
Hobart Corporation	98
Hoffman LaRoche	62
Honeywell	9
Household Finance	89
IC Industries	25
Ingersoll Rand	90
Interstate Brands Corp.	46
Johnson Controls, Inc.	35
Keebler Co.	82
Liberty Mutual Insurance Co.	88
Lorillard Co.	99
Marathon Oil Co.	47
McDonald's Corp.	87
Merck & Co., Inc.	74
Minnesota Mining & Manufacturing	13
Montgomery Ward	63
Motorola, Inc.	30
NL Industries, Inc.	64
Nabisco Brands, USA	32
PPG Industries	48
Pepsi Cola	75
Pfizer, Inc.	54
Philip Morris U.S.A.	53
Phillips Petroleum Co.	39
Procter & Gamble Co.	43
Purolator Service, Inc.	28
Reliance Electric	79
Revlon, Inc.	83
Rollins, Inc.	33
SCM Corp.	84
Seaboard System RR	50
Sears Roebuck & Co.	1
Shaklee Corp.	26
Shell Oil Co.	21
Smith Kline Corp.	68
State Farm Insurance	16
Teledyne, Inc.	37
Tenneco, Inc.	22
Transamerica Corp.	67
Travelers Companies	45
Tupperware	7
Upjohn Company	73
USF&G Insurance	91
U.S. Steel	38
Union Carbide Corp.	17
Union Pacific Systems	29
United Technologies Corp.	14
Van Pool Services, Inc.	71
W.R. Grace & Co.	24
Westinghouse	11
Xerox	3

NAFA's latest survey of personal use policies shows that most fleets are collecting personal use mileage charges through salary deductions. More surprisingly, they're charging drivers via a rate that's determined by mileage driven.

NAFA's Personal Use Survey

A total of 358 fleets, operating 237,710 vehicles, participated in NAFA's latest annual Personal Use Survey. The breakdown of responses is: 267 from commercial fleets in the United States; 41 Canadian fleets; 30 government fleets, and 20 public utility fleets. The Personal Use Survey covers three very important areas of fleet management: 1) when employees are able to use business cars for personal use; 2) who gets business cars, and 3) how employees are charged for personal use of business cars, or how they are reimbursed for use of the personal car for business.

Survey Highlights

- In contrast to last year's survey results, more fleets charge drivers for personal use via a mileage-driven rate rather than a flat rate each period.
- Most fleets responding to the survey collect personal use mileage charges through salary deductions rather than expense reports.
- A majority of drivers are charged their insurance policy deductible amount when they are involved in an accident while using a company car for personal use.

NAFA breaks the responses down into seven categories: Drug and Cosmetics, Chemical and Petroleum, Food and Beverage, Insurance, Manufacturing-Consumer, Manufacturing-Industrial, and Miscellaneous. *Automotive Fleet* has selected three of the above categories for this article: Manufacturing-Consumer, Manufacturing-Industrial, and Insurance.

Manufacturing-Consumer Fleets

Thirty-three Manufacturing-Consumer company fleets, responsible for 34,882 vehicles (24,941 U.S.company-owned; 8,670 U.S. - leased, and 1,271 U.S. employee-owned) responded to the survey.

Every fleet in the group allowed personal use of company cars after hours and on weekends, holidays, and vacations. Twenty-nine of the 33 responding fleets have no limit on the number of personal miles a driver can put on a car. This resulted in a monthly average of 353 personal miles driven by each employee. This, the companies repsponded, was approximately 16.5 percent of the fleet's total mileage each month.

Corresponding with this, 29 fleets charge employees for personal use of a fleet car. The split between chargeback methods is almost even: 12 use a mileage-driven charge method; nine have a flat monthly or weekly rate, and eight use a combination of both methods. Fifty-five percent (18) of these fleets have not increased the charge for personal use in the last year. The average personal mileage charge was almost 15 cents (14.6) for each mile.

The most often cited method for collecting personal use charges for Manufacturing-Consumer fleets is through an expense report deduction. Fifteen fleets, or 46 percent, use this method. The second most popular was collection via salary deduction, where 10 fleets, 30 percent, responded they used this method. Approximately one-fourth (8) of these fleets use other methods of collection.

Every fleet in the group permits personal use by both the employee and spouse. In addition, 19 of the 33 fleets allow licensed children to drive the company car. Eleven of those 19 fleets have a minimum age requirement of 18 years.

To the question, 'Is any portion of repair costs resulting from accidents during personal use charged to the operator?' 15 fleets responded 'Yes' and 18 responded 'No.' Of that 15, 10 fleets charge a dollar amount based on a percent of the cost, and five charge a "deductible" amount according to their insurance policy. No one charges the full amount of the damage and no one charges a fixed share of the cost of the damage. In 17 of the 33 fleets, the employee is charged with an accident if another person was driving the company car at the time the accident occurred.

Summary of Survey Responses

Industry Group	Number of Fleets	Company Owned Cars	Company Leased Cars	Employee Owned Cars	Total
Industrial Manufacturing	59	2,856	29,909	1,547	34,312
Insurance Companies	50	4,679	2,617	223	7,519
Drugs and Cosmetics	36	1,435	26,514	208	28,157
Consumer Manufacturing	33	24,941	8,670	1,271	34,882
Chemical & Petroleum	30	15,095	12,028	292	27,415
Food and Beverage	30	9,839	7,904	362	18,105
Miscellaneous	29	6,234	6,664	956	13,854
Totals	267	65,079	94,306	4,859	164,244

A combination of factors is used to determine who gets a company car in the Manufacturing-Consumer company fleets.

An employee's job title is the most important factor according to 24 fleets who said this was a determinant in getting a company car. Next was the mileage the employee drove in a year; 16 fleets noted this was used to assign cars. Nine fleets said cars were given as part of the employee's fringe benefit plan.

If an employee's assigned car is not in operation, there are several options the companies take to get that person a car. Thirty-one responded they rent a car; 29 let the employee use his/her own car; 14 set up a car pool system, and five are allowed to use the district manager's car.

When reimbursing an employee for business use of a personal car, most fleets pay only for mileage driven. Twenty-two fleets said they reimburse employees an average of 20 cents a mile regardless of the miles driven. Two fleets pay a fixed amount plus approximately 11 cents a mile for a cost of $133.50 a month. Two fleets use the Runzheimer Schedule, one uses a graduated scale where a certain amount is paid for the first set of miles, and a different amont is paid for any miles over that. One fleet pays a fixed rate of $35 a week.

When reimbursing an employee who used a personally-owned car because his/her assigned fleet car was not in operation, 28 fleets pay an average of a little more than 19 cents a mile, while one fleet pays an unspecified fixed amount.

Slightly more than half the fleets (17) compensate employees who, because of transfer or reassignment, are no longer eligible for a company car. The amount of compensation, in most cases, is determined on a case-to-case basis.

Two of the respondents said the IRS had conducted an audit of their companies within the last two years. That audit included investigation into the companies' personal use policies.

Manufacturing-Industrial Fleets

Fifty-nine Manufacturing-Industrial fleets, operating 34,312 vehicles (29,909 U.S.-leased; 2,856 U.S. company-owned, and 1,547 U.S. employee-owned) responded to the survey.

Ninety-seven percent of these fleets (57) allow employees personal use of company vehicles. Fifty-four fleets allow employees to use the company vehicle after working hours and on weekends and holidays. Fifty-three said employees are allowed personal use of company cars while the employee is on vacation. More than 80 percent of the responding companies have no limit in personal mileage. This results in a monthly personal mileage average of 533 miles for each employee. This, the companies cited, equals an estimated 21.7 percent of the company's total fleet mileage each month.

Forty-nine fleets charge employees for personal use of company cars. Most companies (20) charge a flat monthly or weekly rate. Fifteen fleets charge an average of 11.6 cents a mile for each personal mile the driver puts on the car. Fourteen fleets use a combination of the flat rate and mileage charge methods. The charge for personal use of fleet cars increased in more than half the responding companies: 28 percent said increases were necessary; 25 said the rates remained the same as the previous year.

Two methods for collecting personal use charges were used by almost the same number of respondents. Twenty-one fleets said they collect the money through expense report deductions, while 20 said they use salary deductions to get personal use charges. The remaining fleets cited other methods of personal use collection, but they did not specify what they were.

Almost all the fleets allow the employee's spouse to use the company car: 50 responded affirmatively while none responded negatively. Of the 23 that responded to whether they allow employee's children to drive the company car, all said

'Yes.' Slightly more than half, 28, said they have a minimum age requirement for driving a company car and 27 said they do not.

In answering the question, 'Is any portion of repair costs resulting from accidents during personal use charged to the operator?' the same number of fleets (29) responded 'Yes' and 'No.' Of the 29 who charge the operator, 14 charge the insurance company "deductible" amount, eight charge a dollar amount based on the cost of the accident, two charge a fixed dollar-amount, and one fleet charged the operator the full amount of the damage. Out of 54 responses, 37 said they charge the operator with an accident if another person was driving the company car at the time the accident occurred.

There are two major factors that determine who gets a company car in Manufacturing-Industrial fleets: job title and number of business miles driven. Job title was a determining factor for 47 fleets, and, in 33 fleets, if a driver averaged approximately 13,300 miles a year, he/she was assigned a car. Sixteen fleets said they give out company cars as part of the employee's fringe benefit plan. Five fleets gave "other" reasons for assigning company cars.

Personal Use Survey Summary

	Industrial Mfg. (59)		Insurance Cos. (50)		Drugs & Cosmetics (36)		Consumer Mfg. (33)		Chemical & Petroleum (30)		Food & Beverage (30)		Misc. (29)	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Personal Use Permitted	56	2	24	0	35	1	33	0	28	2	30	0	26	3
After Work	51	1	24	0	35	1	33	0	25	2	30	0	25	3
Weekends & Holidays	54	1	24	0	35	1	33	0	25	2	30	0	23	4
Vacations	53	2	24	0	35	1	33	0	16	11	29	1	21	5
Limits on Personal Use	5	50	3	21	1	34	4	29	7	18	5	24	6	22
Charge For Personal Use	49	4	20	2	23	6	27	2	19	4	27	1	23	4
Mileage Charge	15	0	7	0	7	0	12	0	8	1	15	1	10	0
Flat Rate	20	0	8	0	7	0	9	0	8	0	11	2	6	0
Both or Other	14	0	8	0	14	0	8	0	4	0	7	2	7	0
Charge Collected By:														
Expense Report	21	1	5	2	17	0	13	2	3	1	9	3	5	2
Salary Deduction	20	1	10	1	10	0	10	0	10	0	17	2	8	0
Both or Other	11	0	5	0	6	0	8	0	9	0	3	0	10	0
Use Permitted By:														
Employee & Spouse	50	0	20	0	34	0	33	0	17	0	30	0	13	0
Employee & Children	23	0	8	0	20	0	19	0	6	0	14	0	9	0
Employee & Others	4	0	1	0	5	0	0	0	2	0	2	0	0	0
Minimum Age Limits	28	27	5	18	15	19	12	20	10	18	12	17	8	15
Repair Cost Paid By:														
Employee	29	29	17	33	14	20	15	17	6	23	12	18	9	19
Full Amount	1	—	2	—	1	—	0	—	1	—	0	—	0	—
Fixed Share	2	—	0	—	1	—	0	—	0	—	0	—	0	—
Dollar Amount	8	—	4	—	10	—	10	—	3	—	2	—	2	—
Insurance Deductible	14	—	10	—	6	—	5	—	1	—	10	—	7	—
Accident Charged	37	17	21	22	20	11	15	14	9	14	20	9	8	15
Increased Charge in 1985	28	25	11	11	18	12	11	17	14	14	16	14	8	14
Alternate Transportation:														
Employee	56	1	45	0	34	0	29	1	25	2	26	3	28	0
Rental Car	47	3	47	0	35	0	31	0	26	2	24	1	20	2
District Mgr's. Car	17	13	6	11	9	5	5	11	12	9	12	5	8	5
Car Pool	36	7	31	6	14	5	14	6	23	4	18	5	17	4
IRS Audit	3	51	7	42	2	32	2	29	1	25	5	24	3	25

Note: — means that there were no responses to this question.

PERSONAL USE

If an employee's assigned car is not in operation, Manufacturing-Industrial fleets are likely to take one of three major alternatives to get that person a car. Most fleets (56) said they allow the employee to use his/her own car until the company car is operable. Forty-seven fleets rent a car, and 36 use a car pool system. Seventeen fleets allow drivers to use their district manager's car.

> ***The seven insurance fleets audited by the IRS had their personal use policies investigated.***

When reimbursing an employee for business use of a personally-owned car, 48 of these fleets pay only for mileage driven. The average cost paid per mile is 20.3 cents. Five fleets pay a fixed dollar amount plus an average of 8.2 cents a mile for an average monthly payout of $204.88. Three fleets use the Runzheimer Schedule, three use a graduated scale of payment, and two pay an unspecified fixed amount each month.

Thirty respondents said they compensate employees who, because of transfer or reassignment, are no longer eligible for a company car; 26 said they did not.

An overwhelming majority (51) said they had not been audited by the IRS within the past two years. The three that were audited said the audit included an investigation into the company's personal use policies.

Insurance Company Fleets

Fifty insurance companies in charge of 7,519 vehicles (4,679 U.S. company-owned; 2,617 U.S. leased, and 223 U.S. employee-owned) responded to the survey.

Of the 24 fleets that responded to questions regarding when employees could use company cars for personal use, all said employees could use them after work hours, and on weekends, holidays, and vacations. (Twenty-six fleets did not respond to this question; none said no.) Twenty-one of the 24 fleets have no limit on the number of personal miles a driver can put on a car. This results in a monthly average of 466 personal miles for each driver, which, the companies estimate, is a 22.5 percent of the total fleet mileage.

Twenty of 22 fleets charge drivers for the personal mileage they put on the company car. Eight fleets charge a flat monthly rate; eight charge a flat monthly rate plus a mileage fee, and seven charge only a mileage fee. Eleven fleets increased, from last year, the fees they charge drivers for personal mileage; eleven fleets also kept the same rates as the previous year.

Twice as many fleets collect the charges for personal use of company cars through salary deductions as those who collect otherwise. Ten fleets use the salary deduction method; five collect through expense account deductions, and five use "other" methods.

Of the 20 fleets that responded, all allowed personal use of company vehicles by the spouse of the employee. Eight also allowed personal use by the children of the employee and one allowed personal use by "others." Eighteen of 23 responsing fleets have no minimum age requirement for personal use of business cars.

Seventeen of 50 fleets charge employees for a portion of the costs resulting from accidents during personal use of a company car. Ten fleets charge the insurance "deductible" amount; four charge a dollar amount based on the cost of the accident; two charge the full amount; one bases charges on "other" criteria. Twenty-one of 43 fleets charge the employee with an accident if another person is driving the car at the time the accident occurred.

Two reasons were noted as most significant in determining who gets a company car. Thirty-four fleets said the average yearly mileage is a determinant. Drivers who average 11,922 miles a year usually are assigned a company car for insurance company fleets. Thirty-three fleets use the employee's job title as a criterion for assignment of a company car. Seven fleets give a company car as part of the employee's fringe benefit plan; three cite "other" reasons for assigning cars.

When an employee's company-assigned car is inoperable, 47 fleets rent a car for him/her; 45 fleets allow the employee to use his/her own personal car, and 31 fleets set up a car pool system. Six fleets allow the drivers to use the district manager's car.

When reimbursing an employee for business use of a personal car, 45 fleets responded they pay only for mileage driven. The amount they paid was 20 cents a mile. Four fleets use a graduated scale of payment where a certain amount is paid for the first set of miles and a different amount is paid for any mileage over that. One fleet used a fixed amount of payment plus paid for mileage. The payment for mileage was not given, but the average total monthly payment was $245. One fleet uses the Runzheimer Schedule of payment.

When reimbursing an employee who uses a personal car, because his/her company-assigned car is inoperable, 48 fleets pay for mileage only. No other methods of payment were given for this situation.

To the question, 'Does your company compensate employees, who, because of transfer or reassignment, are no longer eligible for a company car?' 27 insurance company fleets said 'Yes' and 19 said 'No.' Forty-two fleets had not been audited by the IRS in the previoius two years. The seven fleets which were audited had their personal use policies investigated.

VEHICLE COSTS

Though gasoline prices and car-loan interest rates both declined, it still cost more to own and operate a vehicle in 1985 than it did the year before. In this article, analysts from the Hertz Corp. tell why.

New Car Ownership & Operating Outlays Climb

Despite drops in gasoline prices and car loan interest rates, 1985 automobile ownership and operating expenses rose for the twelfth year in the past 13, as typical compact models reached a record 47.64 cents a mile, up 4.3 percent, or 1.97 cents, from 1984's 45.67 cents, according to the Hertz Corp.'s latest annual estimates.

Since 1972, the last year before the first Arab oil embargo, outlays to own and run typical U.S. cars soared 189 percent, with only 1983 recording a 5.2 percent decline. By contrast, the nation's overall living expenses climbed 157 percent in the same period, the report noted.

The new Hertz survey shows 1985 increases in insurance, licenses, taxes, fees, maintenance, repairs and depreciation — the difference between car purchase price and resale value. These items more than offset slight fuel and loan cost declines.

Typical 1985 compact car purchase prices shot up nearly 8 percent to $9,834, from 1984's average of $9,113. Purchase price increases can boost depreciation, loan, tax, and insurance outlays, the study points out. The 47.64 cents-a-mile 1985 figure is for a normally-equipped compact make, purchased new and driven 10,000 miles annually for five years.

Hertz estimates average auto costs over a full year. "If interest rates and oil prices continue declining as they have in recent months, 1986 vehicle expenses could drop significantly," the rental company said.

Automotive expenses differ significantly by vehicle size, optional equipment, annual mileage, ownership duration, and where autos are driven, the company noted. Also, cars purchased new or used and kept for longer periods cost substantially less than those traded frequently, the firm's latest study shows.

In the new report, subcompact models showed the sharpest 1985 advance, rising 11.7 percent to 40.92 cents-a-mile from 36.63 cents in 1984, largely because more than half of the buyers of these mini-cars equipped them with air-conditioning, an option not included in 1984 figures. Standard-sized autos jumped 4.5 percent to 62.97 a mile, some 54 percent above the subcompact's estimated cost.

(See chart for recent per-mile cost estimates for different sized cars purchased new and driven 10,000 miles annually for five years, typical mileage and use figures for individual U.S. motorist.)

Study figures also demonstrate that keeping cars longer can save:

- New 1985 compacts driven 10,000 miles a year but traded annually cost 57.25 cents a mile, 9.6 cents more than those kept the more typical five years;
- Compacts retained 10 years and

Hertz 1978-1985 Cost Estimates by Car Size

Year	1985	1984	'85-84 % Change	1983	1982	1978	'78-85 % Change
Car Size							
Subcompact	0.4092	0.3663	+.117	0.3463	0.3418	0.2252	+.817
Compact	0.4764	0.4567	+.043	0.4328	0.4467	0.2485	+.917
Mid-size	0.4715	0.4861	−.030	0.4546	0.4902	0.2873	+.641
Intermediate	0.5223	0.5019	+.041	0.4956	0.5009	0.2891	+.807
Standard	0.6297	0.5977	+.054	0.5542	0.5231	0.3233	+.948
5-Size Average	0.5018	0.4817	+.045	0.4567	0.4605	0.2747	+.826

Hertz Estimates of 1985 Model New Passenger Car Ownership & Operating Costs
Compact Model

Years Used	Averages At Constant 8586 M.P.Y. ¢P.M.	Averages At Constant 8586 M.P.Y. $P.Y.	8586 Averages At Declining Annual Miles Averaging 8586 Over 10-Year Period M.P.Y.	8586 Averages At Declining Annual Miles Averaging 8586 Over 10-Year Period ¢P.M.	8586 Averages At Declining Annual Miles Averaging 8586 Over 10-Year Period $P.Y.
1	0.6370	5,468.89	13,060	0.4616	6,029.05
2	0.6076	5,217.07	12,073	0.4698	5,671.39
3	0.5777	4,960.45	11,318	0.4677	5,293.43
4	0.5528	4,746.44	10,598	0.4705	4,986.20
5	0.5330	4,576.05	10,156	0.4708	4,781.78
6	0.4945	4,245.62	9,859	0.4456	4,393.05
7	0.4653	3,995.36	9,618	0.4281	4,117.76
8	0.4400	3,777.45	9,352	0.4164	3,894.34
9	0.4217	3,620.94	9,032	0.4083	3,688.08
10	0.4058	3,484.05	8,586	0.4058	3,484.05

also run 10,000 miles a year averaged 36.87 cents a mile, 10.8 cents less than five-year ownership, and some 20.38 cents under costs for annual trading. This produces savings of $20,380 over the car's life-span, the study shows.

The Hertz data reports that over the past 13 years motorists have been driving less, keeping cars longer, and purchasing smaller vehicles with fewer options, in an attempt to keep driving outlays within family incomes:

- From 1972 to 1983, average yearly passenger car mileage dropped 22 percent from 10,362 to 8,037 miles before turning back upward to 8,317 in 1984 and 8,586 miles last year;
- Compact cars, rather than intermediates, are now the most typical new models purchased;
- New cars are now kept an average of 5.2 years against 3.6 and,
- The average age of all cars on the road is now 7.6 years versus 5.7 years in 1972.

Hertz study figures show that some three-quarters of all auto outlays for typical driving are in so-called "fixed" or "standing" expenses such as depreciation, interest, insurance, licenses, taxes and fees. These are largely influenced by the car's purchase price and how long the vehicle is driven. "Variable" or "running" costs — such as gasoline, oil, maintenance, repairs, parts and accessories — comprise the remaining 25 percent of the expenditures.

Trading a car sooner raises the "fixed " to variable ratio (to about four-fifths of total charges) while keeping one longer usually lowers it (to roughly two-thirds).

The company's report stressed that variations in annual driving distances also have a material effect on the cents-per-mile costs because annual fixed dollar outlays are divided by more, or fewer, miles.

For the five-year driver, a new 1985 compact's costs ranged from 89.24 cents a mile at 5,000 miles a year to 30.6 cents at an annual 20,000 miles of driving — 58.64 cents a mile *less*!

However, on an annual dollar basis, 5,000 miles a year totals just

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Circle 210 on Inquiry Card

Hertz Estimates of 1985 New Car Ownership & Operating Costs

At Constant Annual Mileages
(in cents per mile)

	Sub Compact	Compact				Inter-mediate	Standard
Years Use	10000	5000	8586	10000	20000	10000	10000
1	0.4807	1.0321	0.6370	0.5725	0.3349	0.6280	0.7671
2	0.4609	0.9721	0.6076	0.5447	0.3312	0.5999	0.7267
3	0.4382	0.9055	0.5777	0.5146	0.3201	0.5684	0.6840
4	0.4207	0.8660	0.5528	0.4919	0.3122	0.5443	0.6518
5	0.4092	0.8294	0.5330	0.4764	0.3060	0.5283	0.6297
6	0.3837	0.7618	0.4925	0.4437	No Data	0.4939	0.5850
7	0.3642	0.7070	0.4653	0.4191	Over	0.4680	0.5512
8	0.3488	0.6649	0.4400	0.3987	100,000	0.4465	0.5233
9	0.3359	0.6288	0.4217	0.3821	Miles	0.4291	0.5005
10	0.3255	0.6017	0.4058	0.3687	—	0.4149	0.4819

$4,147, while 20,000 miles a year comes to $6,120 — $1,973 a year more. The average driving distance for U.S. passenger cars in their first five years of service was 10,156 miles in 1984, the latest year for which there are mileage figures.

Driving expenses can vary so dramatically under such a wide array of circumstances that each motorist should figure his or her own outlays, Hertz said.

For example, parking and tolls can add 10 to 40 cents a mile in major cities, but can vary substantially even for similar autos in the same city if driving patterns differ.

The yearly studies by Hertz cover all auto expenses except parking and tolls. Included are insurance, licenses, registration, inspection, depreciation (the difference between purchase price and resale value), and other fees, plus interest, maintenance, accessories, and repairs, along with gasoline and other service station charges.

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Circle 153 on Inquiry Card

It wasn't that long ago that cassette players were considered luxury items. Times are changing. Find out what Pfizer, Nabisco and Kellogg discovered after adding cassette players to their fleets.

Listen, Learn, and Earn: Cassette Players in Fleet Vehicles

Will fleet vehicles of the future contain cassette players as a matter of purhasing practice? While no one realy knows, the experience of some leet operators who've equipped venicles with cassettes indicates the ossibility exists.

What's being discovered is that ombining drive-time hours with a easonable diet of appropriate taped naterial can have a dramatic inluence on employees. When it omes to the dollars and cents inolved, at least one fleet manager is onvinced that any added costs are vershadowed by increased sales.

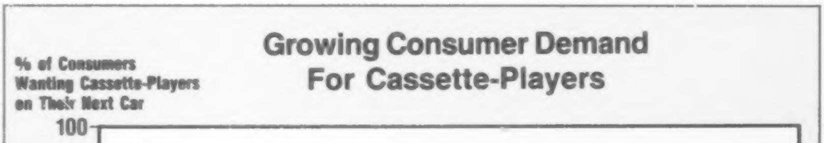
One of the more striking tape-uccess stories is that of Pfizer, the restigious pharmaceutical firm. Pfizer operates a corporate fleet of ,250 cars, all of which are quipped with cassette players.

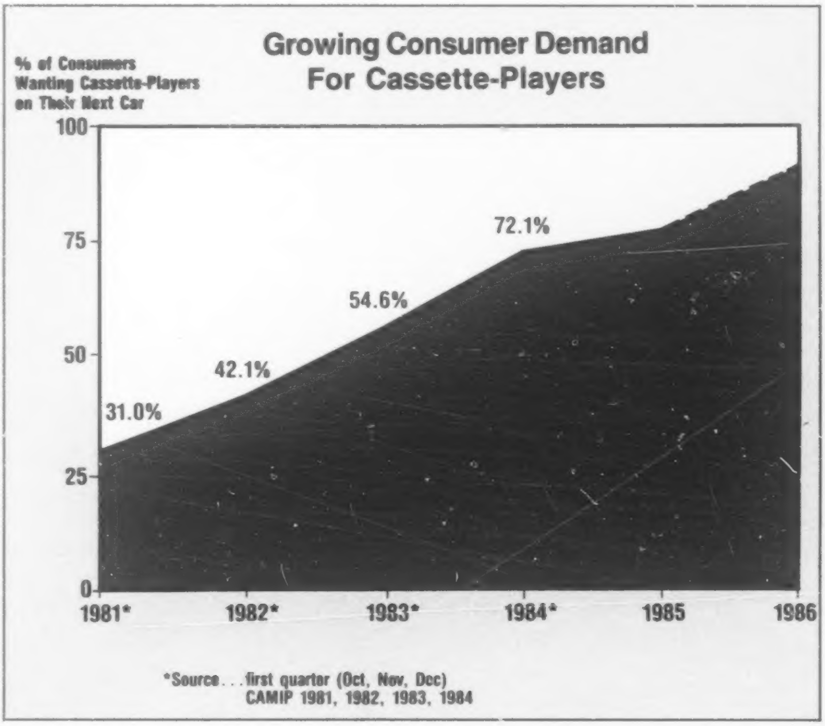
Gordon B. West, Pfizer's cororate fleet manager, says he noiced that members of the sales staff vere making extensive use of portble cassette players to listen to aped information about new roducts the company was preparng to release. Concerned about he safety of drivers who had to rope around the seat to operate quipment, and about the fact that ome portable units had been mislaced, West began a program in 982 to phase in factory-installed assette players on all cars. West says the program has been so successful that if a replacement vehicle is purchased without a cassette player, he will have one installed.

West says the main reason for cassette-playing capability is to allow sales personnel a safe, convenient way to learn about new product releases, considering the fact Pfizer is continually releasing new products. West adds that he knows a lot of other material is popped into the cassette player, but he considers that a plus if it helps take the edge off travel time.

Another leader in exploring the potential use of tapes during drivetime is Nabisco, which has made a definite commitment in its Sales & Distribution Division.

Joel DeFalco, fleet manager of that division, says there is a real excitement about the program. Presently, the division fleet has approximately 1,100 cars slated to be equipped with factory-installed cas-





sette players within three years. By June of this year, about 400 of the division's fleet cars will be cassette-equipped.

A major program is underway by the training department to prepare tapes. DeFalco says, "We have a training department and it is developing a specific program. We are so enthused about the potential that we aren't going to wait until we have all our cars equipped.

"We're totally convinced we can transform some of that drive-time into highly productive time for our employees," DeFalco goes on. "Feedback we are getting convinces us the sales staff is equally enthusiastic."

DeFalco sees a variety of possibilities with tape cassettes. Among company plans are preparation and distribution of tapes on "Where we stand," and "How we are doing in sales." He sees the system as a way of offering seminars without as much expense as now is required to bring people out of the field to a seminar location. The result, DeFalco says, is that more learning opportunities can be offered to more people without spending more money.

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The effectiveness of tapes in spurring sales has also been witnessed by two other major companies, although their tape programs were not geared specifically to drive-time. According to Nightingale-Conant, one of the nation's leading providers of motivational tapes, GTE Directories Corp., ordered 790 sets of motivational tapes for its salespeople. The company was so pleased with the results, it ordered 895 copies of another program.

Kellogg ordered 425 tapes for members of its sales staff. Company officials were pleased with the results and ordered three additional programs about five months later, Nightingale-Conant reported, adding that increased Kellogg sales during the following 23 months were such that the company turned around and ordered five more new programs.

Will employees make use of cassette players in fleet vehicles? DeFalco certainly thinks so.

"I've already gotten great feedback from the field on the division's program," he says.

Another perspective offered by DeFalco is the desire of employees to have cassette players in their vehicles. "We have allowed our fleet users to order cassette players, at their own expense, in company cars for a number of years. The requests have continued to increase year after year and, I believe, would have reached close to 100 percent by next year," DeFalco says.

In addition, DeFalco notes, "A number of our people are taking col-

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lege courses and are using tapes while driving in conjunction with their studies. There is such a variety of things on tape today."

That variety — and growing consumer demand — are two points that may be escaping fleet managers or other officials of companies which operate fleets.

An annual study titled CAMIP (Continuous Automotive Marketing Information Program), conducted by Delco Electronics Corp., shows that an ever-increasing number of consumers say they will specify cassette players on their next car. Presently, that figure exceeds 70 percent. The Delco study also shows that General Motors presently has approximately 60 percent of its retail cars equipped with cassette players.

One of the major concerns of a fleet operator when it comes to cassette players, naturally, is cost. While DeFalco says his company is convinced that increased sales will more than offset the initial outlay, West says he looks at other factors as well.

> ***"I think we are innovative, a leader... as time goes on other fleet managers will realize the potential."***

"While I can't prove it statistically, I believe the desire of people to have cassette players in their vehicles today helps me sell my cars before the 'other guy' sells his," West says. He adds that many of his vehicles are offered for sale to company employees and, "if the sale is made to them, more revenue is received by our company than when the car has to be moved across the auction block.

"I can't say for sure, but I believe a cassette player really makes a difference," West says.

Looking to the future of cassette-player-equipped fleet vehicles, DeFalco says he believes once his company's training program is in full swing with the vehicles under the Sales & Distribution Division, other Nabisco divisions will follow.

"I think we are innovative, a leader," DeFalco says, "I believe that as time goes on, other fleet managers will realize the potential and become involved in similar programs. I suspect a lot of them just haven't thought about the possibilities."

Will the cassette player become a standard for all fleet cars of the future? As mentioned before, no one really knows. But when the average annual mileage of a fleet vehicle (more than 20,000) is translated into drive-time, the result is a lot of hours that employees and companies might want to explore additional ways to utilize...for the benefit of both.

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There was some good news for lessors and lessees alike in a recent survey by AALA. Led by decreases in expenses for interest, insurance, and repair and maintenance, '85 operating costs for closed-end leases actually dropped.

Operating Costs Down For Closed-End Leases

Reversing an upward trend for the first time in at least 20 years, 1985 operating costs dropped 2.6 percent over the previous year's figures for closed-end vehicle leases. That's the finding, at least, of the most recent survey of members of the American Automotive Leasing Association. According to that survey, '85 operating costs for closed-end leases totaled $322.92 per unit per month. The figure for '84, by contrast, was $331.58.

Other highlights of the AALA non-finance lease survey include a slight drop in the average number of months in operation (from 29.9 to 29.5); a move away from intermediates and compacts toward standard-size models; a significant increase in import share, and a strong trend toward retailing among closed-end disposition methods. The survey results were presented at AALA's recent annual meeting in Boca Raton, FL, by Earl Holtzman and Stuart Boykoff, both of the Skokie, IL-based AALA accounting firm, Michael Silver & Associates.

Comparing '84 to '85 closed-end operating costs in more detail, Holtzman noted that depreciation averages per unit per month rose during the period from $206.05 to $212.06, an increase of 2.91 percent. Repair and maintenance expenses, meanwhile, dropped from $33.40 to $30.03, or 10 percent. Insurance averages per unit per month fell from $16.57 to $13.71 (17.26 percent), while averages for license tags and taxes increased from $8.90 to $10.26, or 15.28 percent. Interest per-unit per-month averages decreased from $65.57 to $55.16, a 15.90 percent drop. Delivery per-unit per-month averages increased 55.96 percent, from $1.09 to $1.70.

Finally, general and administrative per-unit per-month averages fell from $34.94 to $33.44, or 4.29 percent. The total cost per closed-end unit per month for 1985 thus averages $356.36. The 1984 total was $366.52 — or 2.77 percent more. In 1980, by contrast, the average was $276.29; in '75, the figure was $193.95, and five years earlier it stood at $141.49. In 1965, costs per unit per month averaged just $103.81.

During 1985, the average composition of the AALA closed-end fleet also shifted interestingly. By year's end, compact cars accounted for 20 percent; intermediates for 45 percent, and standard-size cars for 35 percent. One year before, the figures had been 24, 57, and 19, respectively. The standard segment therefore grew at the expense of both

Analysis of Per Unit Month Costs for the Year 1985 (Closed-End)

	Depreciation	Repairs & Maintenance	Insurance	Tags & Taxes	Interest	Delivery	Total Operating Costs	General & Administrative	Total Costs	Average Months in Operation
Less than 1,000 cars Average costs	204.83	24.00	—	9.65	59.02	—	328.67	35.27	369.45	—
1,000-1,999 cars Average costs	208.34	29.12	10.00	17.00	65.00	1.65	330.89	42.01	372.90	—
Over 2,000 cars Average costs	221.16	36.98	14.95	8.62	51.74	1.80	319.11	27.32	346.43	—
Combined Average Costs	212.06	30.03	13.71	10.26	55.16	1.70	322.92	33.44	356.36	29.5

AALA Fleet Costs Survey For Closed-End Leases

Comparative Analysis of Average Per Unit Per Month Costs Years 1985 and 1984

OPERATING COSTS:	1985	1984	Increase (Decrease) Amount	Increase (Decrease) Percentage	% of Total
Depreciation	$212.06	$206.05	($6.01)	(2.91%)	59.5%
Repairs and maintenance	30.03	33.40	(3.37)	(10.0)	8.4
Insurance	13.71	16.57	(2.86)	(17.26)	3.9
License tags and taxes	10.26	8.90	(1.36)	(15.28)	2.9
Interest	55.16	65.57	(10.41)	(15.90)	15.4
Delivery	1.70	1.09	(.61)	(55.96)	.5
Total Operating Costs	**$322.92**	**$331.58**	**($8.66)**	**(2.6)%**	**90.6%**
General and administrative	33.44	34.94	(1.50)	(4.29)	9.4
TOTAL COSTS	**$356.36**	**$366.52**	**($10.16)**	**(2.77%)**	**100.0%**

	1985	1984	1983	1982	1981	1980	1979	1978
Total costs per month	$356.36	$366.52	$328.13	$320.32	$306.82	$276.29	$247.98	$228.31
Avg. mos. in operation	29.5	29.9	30.2	28.1	27.3	27.4	26.6	26.3
Avg. annual mileage	—	34.923	29.770	34.646	31.894	34.591	28.952	30.609

compact- and intermediate-sized models in '85.

Similarly, closed-end fleet composition by manufacturer registered some changes during the past year. Chevrolet share dropped to 21 percent from the '84 figure of 26 percent. Ford rose one percentage point, to finish '85 with 14. Chrysler lost two percentage points, ending the year with 4. Pontiac, meanwhile, stayed at five percent; Oldsmobile fell from 13 percent to 11; Buick dropped from 18 to eight percent, and Cadillac remained at one percent. The biggest gains in penetration were shared by Lincoln-Mercury (from three percent in '84 to nine percent in '85), "others" (which zipped from two percent to eight), and imports, which soared from 13 percent to 19 percent.

Grouped together, leaders Chevrolet, Ford, and Chrysler netted 39 percent of the average closed-end fleet, compared to 45 percent one year before. (By way of comparison, share for that "Big Three" stood at 63 percent in '78 and 56 percent in '80.)

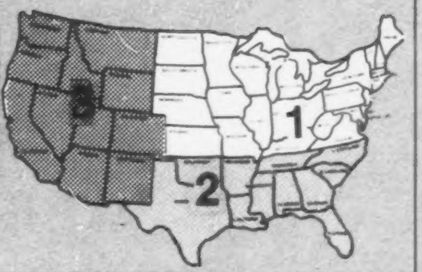
Closed-end used-car disposition showed 41 percent of the fleet being disposed of through used-car dealers (down from 46 percent a year earlier). Auctions accounted for seven percent of off-lease disposals (compared to 16 percent in '84), while sales to lessees and their employees rose one percent over '84 to 20 percent. Sales to new-car dealers shrank from nine percent in '84 to just 2 percent; "other" methods accounted for four percent. Most significantly, retail sales shot from 10 percent in '84 to 26 percent in 1985.

Holtzman and Boykoff also presented averages for open-end AALA fleets. That survey, too, reflected the shift toward standard-size cars in terms of fleet composition. The open-end standard figure for '85 was 36 percent (up from 33 percent in '84); intermediates were up one percent to finish at 48 percent, while compacts dropped to 16 percent in '85 from 1984's 20 share.

'85 open-end composition averages by manufacturer compared to a year earlier were 25 percent for Chevy (no change), 16 percent for Ford (down from 20 percent), six percent for Chrysler (no change), three percent Pontiac (a loss of one percentage point), 12 percent Oldsmobile (down one), nine percent Buick (off three), eight percent for Lincoln-Mercury (a gain of six points), five percent for Cadillac (no change), five percent for "other" (up two percent), and 11 percent for imports (up by a percentage point).

USED CARS

The following are average car prices for the period ending March 12, 1986. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically on IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone 3**
83 AMC ALLIANCE			
Sdn 4DR L Series	2831	2859	2804
83 AMC CONCORD			
Sdn	3120	3152	3089
Sta Wgn	3295	3621	3262
83 BUICK SKYLARK			
Sdn Custom	3634	3670	3597
82 BUICK SKYLARK			
Sdn	2978	3007	2347
83 BUICK REGAL			
Sdn	4910	4960	4860
Cpe	5049	5100	4997
82 BUICK REGAL			
Turbo Cpe	4457	4500	4411
Cpe	4315	4358	4272
83 BUICK CENTURY			
Sdn Custom	4868	4915	4820
82 BUICK CENTURY			
Sdn Custom	4122	4162	4079
83 CADILLAC			
Cpe DeVille	8144	8226	8064
Sdn DeVille	8097	8180	8017
82 CADILLAC			
Cpe DeVille	6665	6732	6599
Sdn DeVille	6620	6686	6553
83 CHEVY			
Chvt Htchbk 4-Dr	2168	2189	2147
Camaro Cpe 8	5480	5536	5427
82 CHEVY			
Chvt Htchbk 4-Dr	1712	1729	1695
Camaro Cpe 8	4744	4792	4696
83 CHEVY CELEBRITY			
Sdn	4374	4419	4330
82 CHEVY CELEBRITY			
Sdn	3639	3675	3603
83 CHEVY CAVALIER			
Sdn	3712	3750	3676
82 CHEVY CAVALIER			
Sdn	2592	2617	2566
83 CHEVY CITATION			
Cpe 6	2894	2922	2863
82 CHEVY CITATION			
Cpe 6	2240	2264	2219
83 CHEVY MALIBU			
Clas Sdn	4233	4275	4191
Clas Sta Wgn	4407	4450	4362
82 CHEVY MALIBU			
Clas Sdn	3523	3559	3488
Clas Sta Wag	3678	3714	3642
83 CHEVY MONTE CARLO			
Cpe	5118	5168	5066
82 CHEVY MONTE CARLO			
Cpe	4252	4293	4208
83 CHEVY IMPALA			
Sdn	4591	4636	4544
82 CHEVY IMPALA			
Sdn	3677	3714	3640
Wgn 9	3822	3861	3784
83 CHEVY CAPRICE			
Sdn	5142	5195	5091
Sta Wag	5321	5375	5268
83 CHRYSLER			
E-Class Sdn	4387	4432	4343
82 CHRYSLER			
New Yorker Sdn	5229	5281	5178
83 DODGE OMNI			
4 Dr Cust	2706	2733	2679
82 DODGE OMNI			
4 Dr Cust	2059	2078	2037
83 DODGE ARIES			
Cpe	3129	3162	3098
82 DODGE ARIES			
Sdn	2395	2417	2370
83 DODGE DIPLOMAT			
Sln Sdn	3706	3742	3669
82 DODGE DIPLOMAT			
Sln Sdn	2985	3015	2955
83 FORD FAIRMONT			
Futura 6-Cyl Sdn 4 Dr	3169	3200	3137
82 FORD FAIRMONT			
Futura Sdn 4-Dr	2510	2533	2484
83 FORD MUSTANG			
L-Cpe 4	3599	3634	3562
82 FORD MUSTANG			
L-Cpe 4	2878	2907	2850
83 FORD LTD			
Sdn	3613	3650	3577
82 FORD LTD			
Sdn	3741	3778	3706
83 FORD ESCORT			
Htchbk 4 Dr	2675	2700	2647
83 FORD CROWN VIC			
Sdn	5717	5774	5662
82 FORD CROWN VIC			
Sdn	4429	4475	4386
83 FORD THUNDERBIRD			
Cpe	5349	5403	5295
82 FORD THUNDERBIRD			
Cpe	4173	4214	4130
83 LINCOLN CONTINENTAL			
Sdn	10230	10333	10127
Mark VI Cpe	10408	10513	10304
82 LINCOLN CONTINENTAL			
Sdn	8244	8326	8162
Mark VI Cpe	8496	8579	8410
83 MERCURY COUGAR			
Cpe	5442	5495	5336
82 MERCURY COUGAR			
GS Cpe	3075	3106	3044
83 MERCURY LYNX			
HtchBk 2-Dr	2636	2662	2609
83 MERCURY MARQUIS			
Sdn	3656	3693	3620
82 MERCURY MARQUIS			
Sdn	3938	3978	3900
Wgn-2S	4061	4103	4021
83 OLDS CIERA LS			
Cpe	4799	4847	4750
Sdn	4859	4908	4811
83 OLDS CUTLASS SUPREME			
Cpe	5344	5397	5291
Sdn	5194	5247	5143
82 OLDS CUTLASS SUPREME			
Sdn	4374	4418	4331
Cpe	4544	4591	4498
83 OLDS DELTA 88			
Sdn	5096	5148	5045
82 OLDS DELTA 88			
Sdn	3873	3912	3835
83 OLDS DELTA 98			
Sdn	7031	7102	6962
82 OLDS DELTA 98			
Sdn	5722	5779	5663
83 OLDS OMEGA			
Sdn	3634	3670	3597
82 OLDS OMEGA			
Sdn	2978	3007	2947
83 OLDS FIRENZA			
Sdn	3944	3984	3904
82 OLDS FIRENZA			
Sdn	3267	3298	3234
83 PLYMOUTH HORIZON			
4 Dr Htchbk	2632	2659	2604
83 PLYMOUTH RELIANT			
Cpe	3139	3170	3108
82 PLYMOUTH RELIANT			
Cpe	2386	2408	2363
83 PONTIAC FIREBIRD			
Cpe 8	5538	5593	5482
83 PONTIAC 6000			
Cpe	4633	4678	4585
Sdn	4570	4616	4523
82 PONTIAC 6000			
Cpe	3866	3906	3827
83 PONTIAC GRAND PRIX			
Cpe	5281	5333	5229
83 VOLKSWAGEN JETTA			
4 Dr Sdn	4601	4646	4556
82 VOLKSWAGEN JETTA			
4 Dr Sdn	3883	3922	3845
83 VOLKSWAGEN L SERIES			
2 Dr Htchbk	3359	3393	3325
82 VOLKSWAGEN RABBIT			
2-Dr Htchbk	2615	2640	2588
83 DATSUN			
Sentra 2 Dr Std Sdn	3023	3054	2993
Stanza Hbk 4 Dr Dlx	4121	4161	4079
82 DATSUN			
210 Std 2 Dr	2192	2214	2171
Sentra 2 Dr Std Sdn	2483	2507	2459
Stanza Hbk 4 Dr	3377	3411	3343
83 TOYOTA			
Corolla Sedan 2 Dr	3638	3675	3601
Celica St	5234	5286	5182
Camry Sedan	5913	5973	5855
82 TOYOTA			
Corolla 2 Dr Sdn	2940	2969	2911
Celica St Cpe	4273	4316	4229

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Ft. Morgan, CO	100.5	86.4
Washington, D.C.	141.2	110.0
Honolulu, HI	167.4	138.4
Rock Island, IL	106.6	93.4
Kansas City, KS	89.6	88.6
Worcester, MA	105.4	102.4
Rochester, MN	127.4	92.4
Kansas City, MO	112.5	84.0
Wilmington, NC	106.4	88.9
Reno, NV	135.9	115.9
McAlester, OK	105.4	82.9
Lancaster, PA	137.0	123.5

Survey conducted during the first five working days of March 1985.
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Influencing the management of 4,584,000 cars and 1,970,000 light trucks
and vans in business, leasing, rental, utility, government, police and taxi fleets.

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1. statistics

Fleet Figures by Type and Size as of 1/1/86

CARS

Type of Fleet	Leased	Company-Owned	Employee-Owned	Total
Businesses with 25 or More Cars	2,150,000	226,000	348,000	**2,724,000**
Businesses with 10 to 24 Cars	308,000	155,000	300,000	**763,000**
Other				
Government (Federal, state, county, and local.)	78,000	450,000	—	**528,000**
Utilities	25,000	515,000	—	**540,000**
Police	5,000	228,000	—	**233,000**
Taxi	18,000	122,000	—	**140,000**
Daily Rental	60,000	700,000	—	**760,000**
Fleet Total	**2,644,000**	**2,396,000**	**648,000**	**5,688,000**
Individually-Leased (Lessors, either independent or dealers, leasing 1 to 9 cars as retail or consumer leases.)	1,800,000	—	—	1,800,000
INDUSTRY TOTAL	**4,444,000**	**2,396,000**	**648,000**	**7,488,000**

TRUCKS — CLASS I, II, AND III

Type of Fleet	Leased	Owned	Total
Businesses with 25 or More Light Trucks (Includes leasing, construction, plumbing, heating, food distribution, pest control, cable TV, etc.)	624,000	260,000	**884,000**
Businesses with 10 to 24 Light Trucks	168,000	87,000	**255,000**
Utilities	40,000	502,000	**542,000**
Government (Federal, states, county, and local.)	41,000	207,000	**248,000**
Other (Police, taxi, daily rental, etc.)	5,000	45,000	**50,000**
TOTAL	**878,000**	**1,101,000**	**1,979,000**

Fleet Registrations By Month And Year

Totals include all fleets of 10 or more units.

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985[1]
JAN	93,226	111,651	117,455	136,778	117,135	110,666	93,700	100,500	141,669	158,782
FEB	85,445	103,849	117,726	118,112	97,789	100,205	78,300	91,200	142,006	142,643
MAR	90,890	102,672	124,982	127,114	118,773	108,836	84,500	105,800	136,526	162,472
APR	105,378	116,813	125,334	127,626	113,690	102,059	96,900	93,800	142,199	146,644
MAY	114,060	122,224	128,161	129,908	105,421	113,894	104,800	100,800	139,114	145,063
JUN	115,903	134,231	143,766	126,107	104,894	124,838	117,700	137,200	156,445	163,165
JUL	91,462	96,991	126,709	112,889	83,827	94,546	95,700	101,400	131,377	129,988
AUG	60,270	78,737	98,608	82,593	65,761	70,411	66,800	84,300	100,845	206,597
SEP	50,458	65,181	72,024	37,708	58,540	80,102	65,900	88,600	123,995	132,383
OCT	91,153	102,549	117,804	96,414	82,576	82,802	81,400	111,100	133,247	156,727
NOV	106,077	133,812	148,787	104,463	128,626	111,798	110,900	136,700	153,865	169,024
DEC	160,458	175,642	183,453	160,894	160,800	117,100	138,600	150,000	136,481	186,000[2]
Total	**1,164,780**	**1,344,352**	**1,504,809**	**1,360,606**	**1,237,832**	**1,217,257**	**1,135,200**	**1,301,400**	**1,637,769**	**1,899,488[3]**

[1] Includes all government registrations

[2] December estimated

[3] Total includes all domestic and import model fleet registrations for calendar year.

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New Fleet Vehicles Registered

CARS On all accounts buying 10 or more new units each year. In Thousands

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985[2]
Renting/Leasing	833	962	1,117	1,030	887	895	841	1,014	1,251	1,437
Commercial	181	205	216	211	207	215	185	194	217	200
R/L + Commercial	1,014	1,167	1,333	1,241	1,094	1,110	1,026	1,208	1,468	1,637
Government[1]	90	98	99	89	83	73	71	66	79	80
TOTAL	**1,104**	**1,265**	**1,432**	**1,330**	**1,177**	**1,183**	**1,097**	**1,274**	**1,547**	**1,717**

TRUCKS On all accounts buying 10 or more new units each year. In Thousands

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985[2]
Renting/Leasing	148	204	242	226	181	150	150	160	281	348
Commercial	152	200	231	246	199	182	147	144	207	221
R/L + Commercial	300	404	473	472	380	332	297	304	488	569
Government[1]	65	73	80	86	88	70	67	66	78	95
TOTAL	**365**	**477**	**553**	**558**	**468**	**402**	**364**	**370**	**566**	**664**

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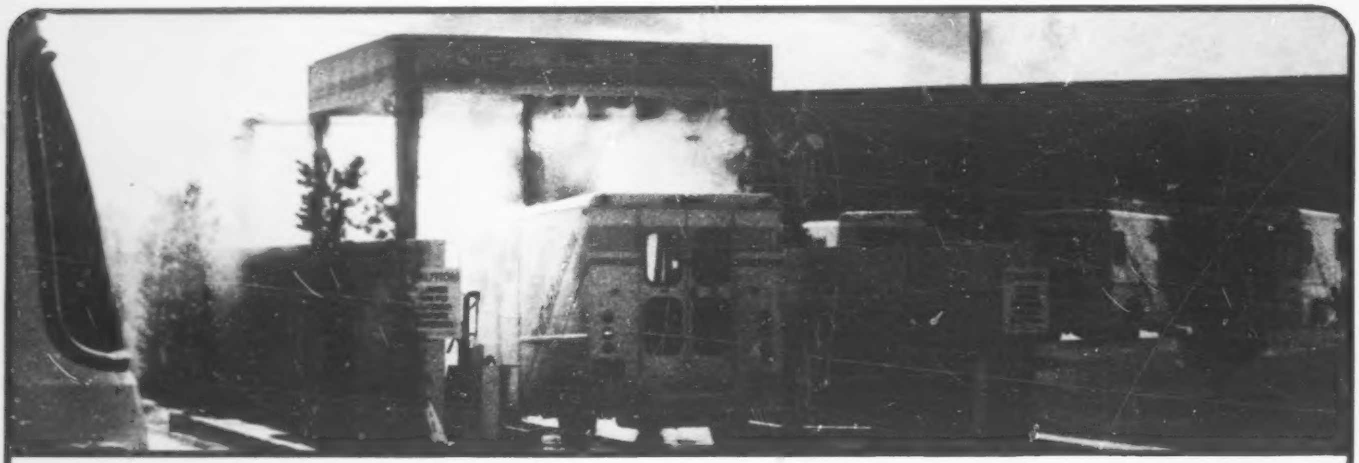
[1] Excludes Federal Government
[2] December Estimated



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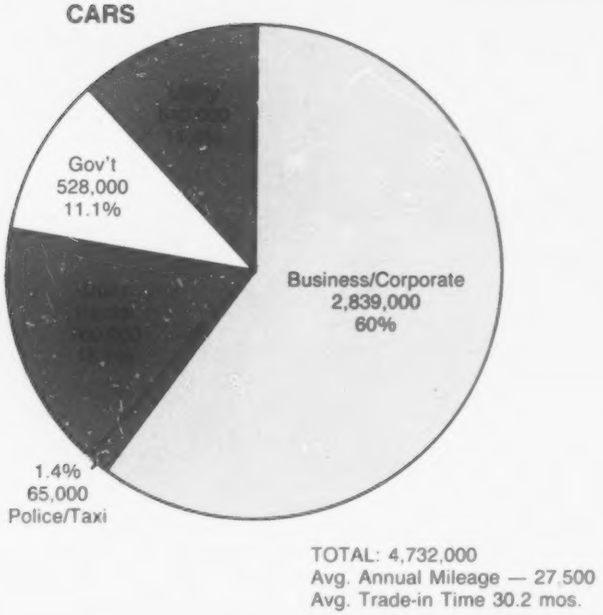
U.S. Cars In Fleets By Type Of Business

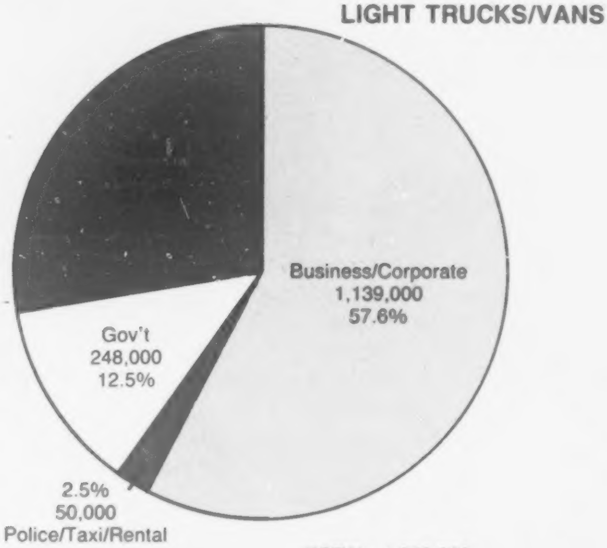
TYPE OF FLEET	CARS (in Thousands)									
Business Fleets—25 or more	**1976**	**1977**	**1978**	**1979**	**1980**	**1981**	**1982**	**1983**	**1984**	**1985**
Salesman Owned	357	353	350	348	345	341	340	340	344	348
Company Owned	198	195	208	215	222	226	228	224	232	226
Leased by Companies (By Types of Lease)										
Finance & Management	1,391	1,412	1,540	1,580	1,588	1,617	1,525	1,553	1,545	1,630
Partial/Full Maintenance	262	258	187	184	234	230	319	315	313	352
Net/Fixed	125	133	123	121	146	139	136	134	156	168
TOTAL Fleet Leased	1,778	1,803	1,850	1,885	1,968	1,986	2,000*	2,060*	2,095*	2,150
Business Fleets—10-24 cars										
Owned	496	488	475	470	458	452	450	448	452	452
Leased	211	228	241	256	266	282	288	293	297	308
Individually Leased	1,217	1,385	1,610	1,690	1,708	1,713	1,645	1,653	1,657	1,800
Other Fleets										
Government	635	642	648	645	651	649	500	500	528	528
Utilities	508	518	523	529	532	537	530	533	540	540
Police	286	292	294	291	288	284	223	221	228	233
Taxi	202	202	205	207	205	198	141	139	140	140
Daily Rental	373	385	448	462	500	462	457	466	755*	760
Driver School	26	26	24	21	20	19	18	18	—**	
TOTAL	2,030	2,065	2,142	2,155	2,196	2,149	1,869	1,877	2,191	2,201
NOTE: Number of Cars in Fleets of 4 or More	10,403	10,414	10,423	10,428	10,433	10,436	10,076	10,400	10,475	10,508

Source: *Automotive Fleet* Research Department
* Adjustment with new data ** Combined with Business Fleets

Composition Of The *Automotive Fleet* Fleet/Leasing Market



TOTAL: 4,732,000
Avg. Annual Mileage — 27,500
Avg. Trade-in Time 30.2 mos.



TOTAL: 1,979,000
Avg. Annual Mileage — 18,500
Avg. Trade-in Time — 60.5 mos.

1985 Model-Year Registrations

Fleet vs. Retail

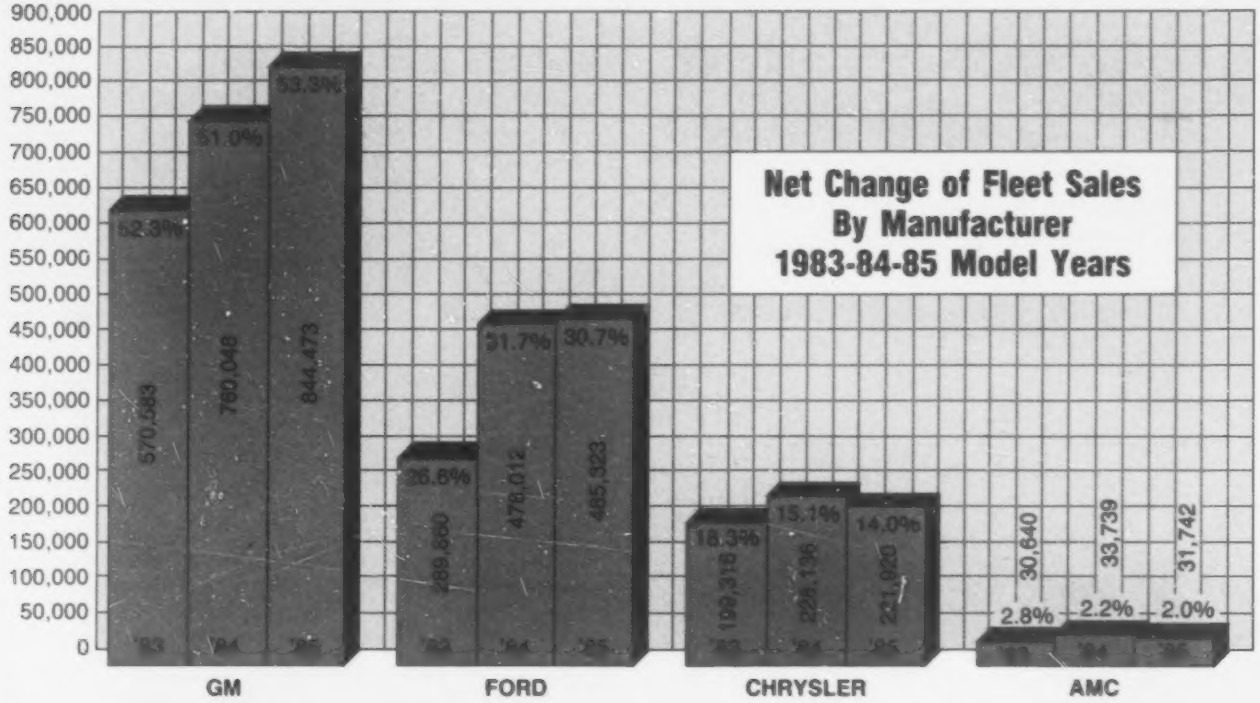
MODEL	Retail Totals	Fleet Totals	% Fleet vs. Retail
SUBCOMPACT			
Alliance	81,573	20,887	25.6%
Capri	14,029	1,867	13.3
Cavalier	349,952	[illegible]	18.9
Charger	57,925	[illegible]	4.2
Chevette	106,974	[illegible]	21.9
Colt	69,274	[illegible]	11.6
Encore	51,845	[illegible]	15.9
Escort	326,227	[illegible]	19.4
EXP	23,959	[illegible]	10.5
Fiero	81,229	[illegible]	10.9
Firenza	44,424	[illegible]	18.8
Horizon	87,900	[illegible]	12.9
Lynx	64,079	[illegible]	12.8
Mustang	128,857	[illegible]	20.2
Nova	11,076	1,750	15.8
Omni	73,918	9,240	12.5
Skyhawk	80,862	9,233	11.4
Sunbird	101,111	16,011	15.8
T-1000	18,654	4,677	25.0
Turismo	53,528	2,406	4.5
Total Subcompact	**1,827,396**	**310,976**	**17.0%**
COMPACT			
Aries	116,878	35,766	30.6%
Calais	87,533	17,101	19.5
Camaro	173,867	28,848	16.6
Citation	38,596	21,688	56.1
Conquest/Vista	25,656	1,971	7.6
Daytona	49,572	2,825	5.7
Eagle	15,196	2,652	17.5
Firebird	87,146	12,765	14.6
Golf	45,846	4,830	10.5
Grand Am	71,137	18,063	25.4
Lancer	38,708	9,126	23.6
LeBaron GTS	53,687	9,573	17.8
Laser	53,714	3,313	6.2
Omega	1,865	182	9.7
Phoenix	1,691	269	15.9
Reliant	129,156	43,685	33.8
Skylark	56,219	26,281	46.7
Somerset Regal	70,074	11,490	16.3
Tempo	210,630	73,089	34.7
Topaz	56,804	19,326	34.0
Total Compact	**1,383,975**	**342,921**	**24.7%**

MODEL	Retail Totals	Fleet Totals	% Fleet vs. Retail
INTERMEDIATE			
600	56,852	12,318	21.7%
6000	104,607	43,402	41.4
Bonneville	38,277	14,814	38.7
Caravelle	34,104	10,202	29.9
Celebrity	238,805	107,244	44.9
Century	183,012	45,707	25.0
Cougar	97,340	23,731	24.4
Cutlass Ciera	231,514	67,002	28.9
Cutlass Supreme	176,274	48,359	27.4
"E" Class/NY	57,669	[illegible]	8.1
Grand Prix	48,479	[illegible]	20.5
LeBaron	88,969	[illegible]	12.8
LTD	110,326	87,133	79.0
Marquis	72,440	[illegible]	30.3
Monte Carlo	87,875	14,871	16.9
Regal	97,536	25,218	25.8
Thunderbird	117,187	40,014	34.1
Total Intermediate	**1,841,286**	[illegible]	**31.9%**
STANDARD			
Delta 88	181,951	27,761	15.2%
Diplomat	36,479	16,707	45.8
Fifth Avenue	110,623	18,273	16.5
Gran Fury	17,732	8,618	48.6
Grand Marquis	123,719	13,659	11.0
Impala/Caprice	190,448	[illegible]	27.7
LeSabre	127,216	16,468	12.9
LTD Crown Victoria	118,333	45,159	38.2
Parisienne	63,253	[illegible]	8.9
Total Standard	**969,754**	**205,231**	**21.1%**
LUXURY			
98 Regency	99,109	16,072	16.2%
Continental/Mark VII Town Car/Merkur	106,085	51,535	48.6
Corvette	31,618	6,234	19.7
DeVille	86,902	18,037	20.7
Eldorado	57,995	8,955	15.4
Electra	74,219	11,339	15.2
Fleetwood	71,212	8,714	12.2
Riviera	43,689	9,548	21.8
Seville/Cimarron	47,825	6,240	13.0
Toronado	32,476	4,191	12.9
Total Luxury	**651,130**	**140,866**	**21.6%**
Total Domestic	**6,673,541**	**1,580,288**	**23.7%**
Total Import	**2,838,116**	**79,464**	**2.8%**
Total Industry	**9,511,657**	**1,667,752**	**17.5%**

Fleet Registrations
1979-1985 Model Years

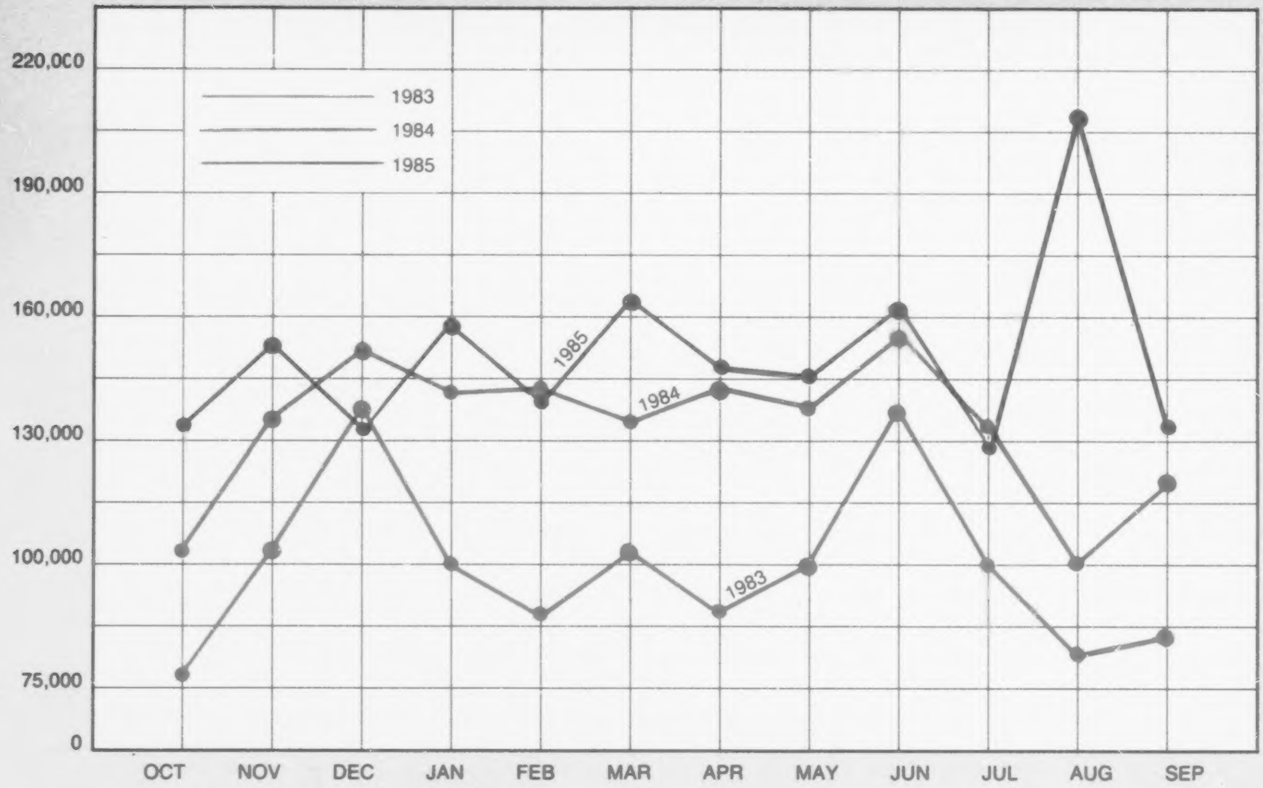
	1979	1980	1981	1982	1983	1984	1985
AMERICAN MOTORS	53,668* *3.8%*	61,112* *5.4%*	42,022 *3.7%*	27,928 *2.7%*	30,640 *2.8%*	33,739 *2.2%*	31,742 *2.0%*
BUICK	75,007 *5.3*	100,181 *8.8*	139,486 *12.2*	121,626 *11.9*	125,379 *11.5*	147,646 *9.8*	155,342 *9.8*
CADILLAC	49,175 *3.5*	30,691 *2.7*	23,626 *2.1*	26,301 *2.5*	30,496 *2.8*	45,408 *3.0*	41,946 *2.6*
CHEVROLET	377,469 *26.5*	285,758 *25.2*	262,572 *22.9*	214,275 *20.9*	199,391 *18.3*	284,690 *18.9*	323,540 *20.4*
CHRYSLER	61,253 *4.3*	28,631 *2.5*	20,730 *1.8*	17,415 *1.7*	26,102 *2.4*	42,545 *2.8*	47,209 *3.0*
DODGE	75,859 *5.3*	42,647 *3.7*	46,723 *4.1*	59,216 *6.0*	87,254 *8.0*	93,997 *6.2*	93,975 *5.9*
FORD	281,078 *19.7*	239,354 *21.1*	213,801 *18.7*	186,500 *18.3*	176,739 *16.2*	322,710 *21.4*	337,202 *21.3*
LINCOLN-MERCURY	138,805 *9.7*	76,871 *6.8*	97,626 *8.5*	101,914 *10.0*	113,121 *10.4*	155,302 *10.3*	148,121 *9.4*
OLDSMOBILE	129,824 *9.1*	140,478 *12.4*	165,738 *14.5*	135,478 *13.2*	158,342 *14.5*	194,320 *12.9*	189,137 *12.0*
PLYMOUTH	70,497 *5.0*	50,704 *4.5*	57,813 *5.0*	78,822 *7.1*	85,960 *7.9*	91,594 *6.1*	80,736 *5.1*
PONTIAC	111,172 *7.8*	78,842 *6.9*	74,333 *6.5*	58,366 *5.7*	56,975 *5.2*	96,984 *6.4*	134,508 *8.5*
DOMESTIC TOTAL *PERCENTAGE TOTAL*	1,423,807 *100%*	1,135,269 *100%*	1,144,470 *100%*	1,027,841 *100%*	1,090,399 *100%*	1,508,935 *100%*	1,583,458 + *100%*

*Basic registration data is furnished by each manufacturer, and they may use differing bases. *Includes Jeep + Does not include Golf registrations*



Net Change of Fleet Sales By Manufacturer 1983-84-85 Model Years

Historic Fleet Registrations By Month & Model Year



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U.S. Light Truck Statistics

New 1977 to 1985 Light Truck Registrations Reported National and Fleet Totals — Class I, II & III

Source: Automotive Fleet Research Dept.

DOMESTIC

MAKE	1977	1978	1979	1980	1981	1982	1983	1984	1985*
Total	3,069,482	3,518,374	4,065,190	2,749,051	1,926,887	2,237,843	2,799,636	3,792,002	4,400,000
Fleet	289,151	351,926	558,430	435,910	294,475	317,017	294,633	455,742	597,181
% Fleet	*9.4*	*10.0*	*13.7*	*15.8*	*15.3*	*14.2*	*10.5*	*12.0*	*13.6*
CHEVY	1,078,692	1,233,932	1,832,454	1,114,847	619,997	726,358	891,125	1,072,231	1,215,000
	103,727	123,369	156,170	117,983	94,289	97,514	90,688	138,590	175,000
	9.62	*9.99*	*8.52*	*10.58*	*15.2*	*13.4*	*10.2*	*12.9*	*14.4*
FORD	1,036,213	1,219,693	1,185,000	795,000	648,804	689,941	905,846	1,111,832	1,280,000
	105,721	124,823	284,000	206,700	116,979	101,471	106,263	142,499	160,000
	10.20	*10.23*	*24.00*	*26.00*	*18.00*	*14.7*	*11.7*	*12.8*	*12.5*
GMC	234,992	283,540	236,750	141,744	128,615	186,257	224,718	268,858	315,000
	21,618	27,552	30,591	23,498	21,531	23,772	23,244	39,455	45,000
	9.20	*9.72*	*12.92*	*16.57*	*16.7*	*12.8*	*10.3*	*14.7*	*14.3*
DODGE & PLYMOUTH	385,125	396,268	400,945	347,138	181,308	228,232	263,687	503,967	625,000
	40,823	41,603	48,794	52,731	29,930	29,078	28,491	53,727	110,000
	10.60	*10.50*	*12.16*	*15.90*	*16.50*	*12.7*	*10.8*	*10.7*	*17.6*
AMC/JEEP	115,079	161,912	140,431	77,852	58,257	62,097	76,453	148,040	181,400
	17,262	21,979	20,875	11,498	3,246	3,816	1,947	5,971	9,870
	15.00	*13.57*	*14.86*	*14.76*	*5.60*	*6.1*	*2.5*	*4.0*	*5.4*
OTHER Incl. VW, Imports, etc.	NA	210,274	258,017	294,529	317,250	344,958	437,797	687,074	783,600
	NA	12,600	18,000	23,500	28,500	34,500	44,000	75,500	97,311
	NA	*6.0*	*7.0*	*8.0*	*9.0*	*10.0*	*10.0*	*11.0*	*12.4*

IMPORTS

MAKE	1978	1979	1980	1981	1982	1983	1984	1985*
TOYOTA								
Total	94,882	130,648	131,648	130,379	143,439	170,000	244,072	318,000
Fleet	10,966	4,620	14,624	9,413	10,936	23,387	41,860	52,000
% Fleet	*11.55*	*3.53*	*11.1%*	*7.2%*	*7.6*	*13.8*	*17.2*	*16.3*
NISSAN	87,645	104,866	113,242	119,684	106,440	132,088	194,414	255,000
	5,123	6,046	8,045	6,184	13,430	12,073	19,491	26,000
	5.84	*5.76*	*7.10*	*5.50*	*12.6*	*9.1*	*10.0*	*10.2*
MAZDA	4,708	8,302	8,775	16,798	40,661	75,751	118,368	114,615
					2,192	5,747	6,610	8,025
					5.3	*7.5*	*5.6*	*7.0*
AMERICAN ISUZU (Class I)				9,959	17,669	26,211	37,443	65,000
						2,175	9,602	8,000
						8.3	*25.6*	*12.3*
MITSUBISHI					931	9,222	14,943	24,000
								2,400
								10.0
IVECO					2,563	2,800	2,457	3,000
								450
								15.0
ISUZU TRUCK (Class III)								2,910
								436
								15.0

*1985 Figures estimated by *Automotive Fleet* Research Dept.

LEASING & RENTAL: Past Growth & Future Projections

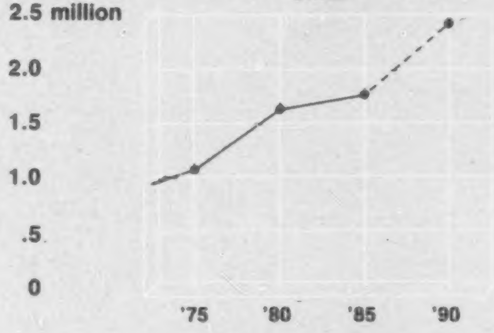
(12/31/85)

LEASED SEGMENT	1975		1980		1985		1990 (est.)	
	Units	$ Rev.	Units	$ Rev.	Units	$ Rev.	Units	$ Rev.
(000) Millions	(000)	Millions	(000)	Millions	(000)	Millions	(000)	Millions
Business Fleets 25+	1,666		1,968		2,150		2,300	
Other* Incl. Bus. Flts. 4-24	512		524		550		600	
Retail or Individual	1,072		1,708		1,800		2,400	
Total Cars Fleet Leased	**3,250**	**$9,100**	**4,200**	**$18,900**	**4,500**	**$27,450**	**5,300**	**$38,000**
Truck Leasing	735	$4,200	800	$7,300	878	$10,000	920	$12,000
TOTAL VEHICLE LEASING	**3,985**	**$13,300**	**5,000**	**$26,200**	**5,374**	**$37,450**	**6,220**	**$50,000**
RENTAL SEGMENT								
Car Rental	355	$1,400	500	$3,100	760	$6,000	800	$7,600
Truck Rental (all G.V.W.s)	160	$1,000	175	$2,300	200	$3,400	230	$4,600
TOTAL VEHICLE RENTAL	**515**	**$2,400**	**675**	**$5,400**	**960**	**$9,400**	**1,030**	**$12,200**

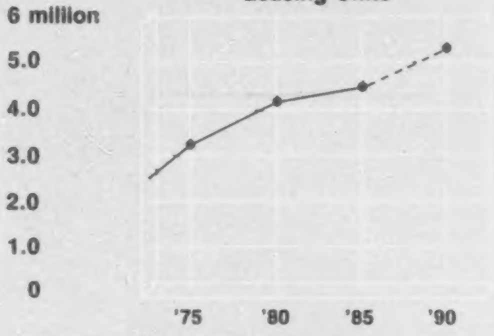
**Other includes all 50+% non-personal use regardless of registration*

Source: Automotive Fleet Research Dept. —© Copyrighted 1986

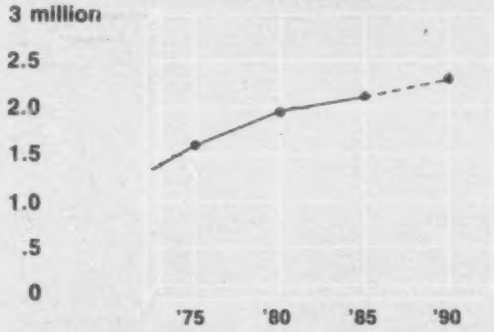
Retail Leasing Units



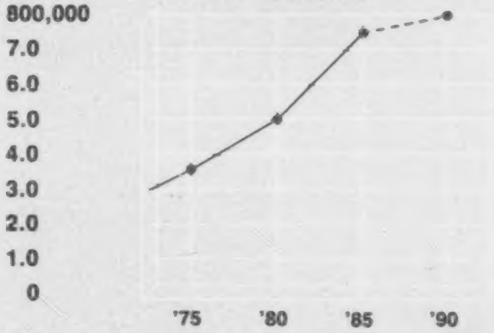
All Vehicles Leasing Units



Business Fleets Leased 25 or More Units



Daily Rental Car Units



Tracking the Top 10 Lessors

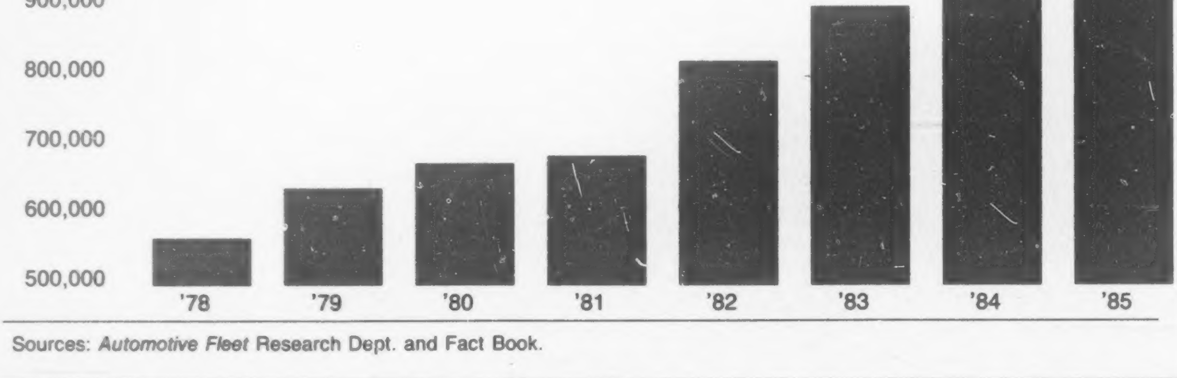
Total Vehicles/Year

Lessor	'78	'79	'80	'81	'82	'83	'84	'85
Gelco	130,000	170,000	170,000	215,000	215,000	235,000	267.000	268,000
PHH	147,000	160,000	175,000	185,000	200,000	200,000	200,000	225,000
Wheels	65,000	65,000	70,000	70,000	70,000	70,000	80,000	90,000
Leaseway	21,500	21,500	30,000	40,000	46,000	80,000	80,000	84,000*
McCullagh	50,000	55,000	55,000	75,000	75,000	75,000	80,000	80,000
ARI	30,000	30,000	30,000	35,000	35,000	50,000	65,000	65,000
Lend Lease	21,500	22,500	22,500	32,500	37,500	42,500	50,000	60,000
Hertz	35,000	35,000	40,000	45,000	45,000	50,000	55,000	55,000
U.S. Fleet	30,000	30,000	30,000	35,000	45,000	45,000	50,000	50,000
Avis	35,000	42,000	43,000	44,000	44,500	44,500	47,000	48,000
Top 10 Total	**565,000**	**631,000**	**665,500**	**776,500**	**813,000**	**893,000**	**974,000**	**1,025,000**

*Purchased by Dart-Kraft in late '85

The "Big" Get "Bigger"

Number of Vehicles Among Top 10 Lessors



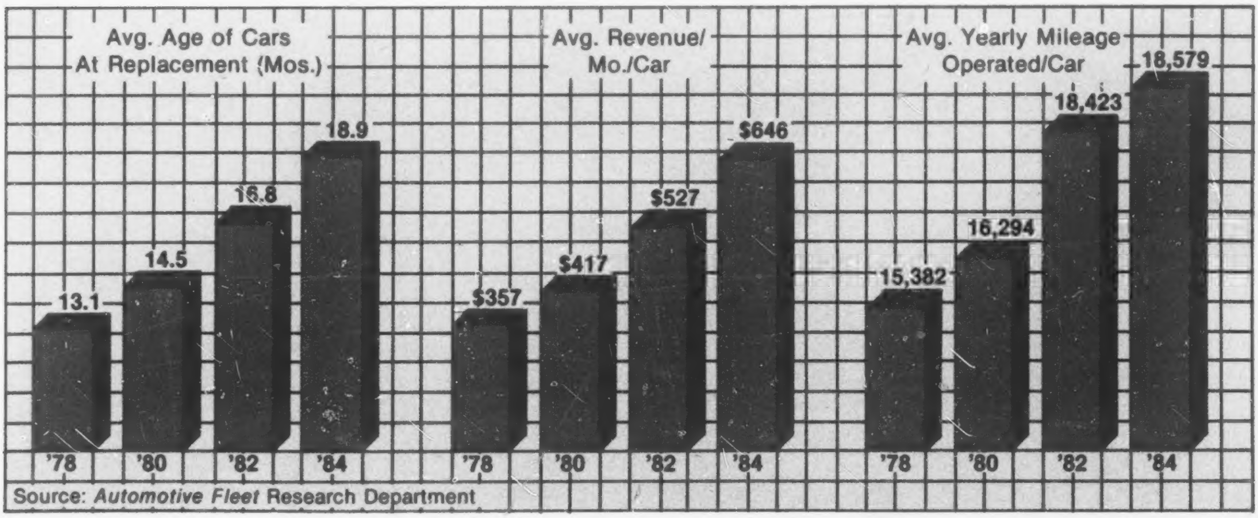
Sources: *Automotive Fleet* Research Dept. and Fact Book.

U.S. Daily-Rental Market Profile

Rank	Company	Number U.S. Cars	Percent On-Airport Market Share '85	'84	Estimated '85 Revenue
1.	Hertz	140,000	33%	33%	$925 Million
2.	Avis	115,000	25	24	650
3.	National	105,000	21	20	575
4.	Budget	90,000	16	17	450
5.	Dollar	32,000	3	4	250
	Other "On-Airport"	18,000	2	2	120
	Total "On-Airport"	**500,000**	**100%**	**100%**	**3.02 Billion**

"Off-Airport" Summary

FALS (Ford Dealers)	38,000		—
Alamo	30,000		—
GM Dealers (not organized)	26,000		—
Enterprise	26,000		—
Thrifty	22,000		—
DRAC (Chrysler Dealers)	20,000		—
Agency Auto	20,000		—
Snappy	16,000		—
Jiffy	12,000		—
Ajax, American Int'l, General, Value, All Others	50,000		—
Total "Off-Airport"	**260,000**	**Total "Off-Airport" Revenue**	**$1.2 Billion**
TOTAL RENTAL MARKET	**760,000**		**4.22 Billion**



Source: *Automotive Fleet* Research Department

Top 30 Banks In Vehicle Leasing

	Bank	Location	Leases in Portfolio at End of '84	End of '85
1.	Security Pacific Credit Corp.	Woodland Hills, CA	41,496	53,218
2.	First Interstate Bank of California	Cerritos, CA	29,712	38,797
3.	Key Bank	Albany, NY	32,000	38,000
4.	Wells Fargo Bank	Oakland, CA	28,997	34,164
5.	Bank One	Columbus, OH	24,794*	32,246
6.	BancAmerica Acceptance Corp.	Santa Clara, CA	17,540	25,632
7.	Manufacturers Hanover Trust — Wheelease	Hicksville, NY	15,000	23,000
8.	First Pennsylvania Bank — LeaseIt	Ft. Washington, PA	16,831	18,100
9.	Maryland National Bank	Baltimore, MD	15,000	15,000
10.	Fidelity — LeaseCar	Wayne, PA	8,500	15,000
11.	Marine Midland Bank	Buffalo, NY	9,000	14,000
12.	National Bank of Detroit	Troy, MI	5,025	11,297
13.	Trust Company Bank	Atlanta, GA	5,190	11,049
14.	Huntington National Bank	Columbus, OH	5,100	11,000
15.	National City Bank	Cleveland, OH	5,600	10,081
16.	The Fifth Third Bank	Cincinnati, OH	6,293	9,761
17.	Union Bank — Stanchart Leasing	Orange, CA	7,158	9,721
18.	Citizens and Southern Banks in Georgia	Atlanta, GA	7,300	9,500
19.	Manufacturers Bank of Detroit	Detroit, MI	5,994	7,850
20.	Bank of New England	Boston, MA	6,200	7,660
21.	Dominion Bank	Roanoke, VA	4,011	7,600
22.	First National Bank of Atlanta	Atlanta, GA	3,204	6,100
23.	Valley National Bank	Phoenix, AZ	6,150	5,875
24.	Boatmen's National Bank	St. Louis, MO	3,090	5,100
25.	Seafirst	Seattle, WA	5,559	4,955
26.	InterFirst Bank Dallas	Dallas, TX	3,067	4,221
27.	Indiana National Bank	Indianapolis, IN	4,172	3,900
28.	Bank of the West	San Jose, CA	4,372	3,473
29.	Hibernia Bank	Concord, CA	2,120	3,250
30.	Lloyds Bank of California	Monterey Park, CA	2,137	1,674

**Major adjustment with new data*

Source: Automotive Fleet *Research Dept.*

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Size and Model Cars Purchased By Major Leasing Companies 1985 vs. 1984

SIZE AND MODEL
(In Percent)

Luxury

Electra
Riviera
Coupe de Ville
Sedan de Ville
Cimarron
Fleetwood
Eldorado Cpe.
Seville Sedan
Imperial
Continental
Mark VII
Town Car
Olds 98
Toronado
Corvette
Executive

Standard

LeSabre
Impala
Caprice
Diplomat
LTD Crown Vic
Grand Marquis
Delta 88
Gran Fury
Fifth Ave.
Parisienne

Intermediate

Regal
Century
Monte Carlo
Celebrity
Cordoba
LeBaron
600
LTD
Thunderbird
Cougar
Marquis
Cutlass Sup.
Cutlass Ciera
6000
Grand Prix
Bonneville
Caravelle
New Yorker

Compact

Eagle
Skylark
Citation
Aries
Laser
Daytona
Topaz
Calais
Reliant
Phoenix
Camaro
LeBaron GTS
Tempo
Somerset Regal
Grand Am
Firebird
Conquest
Lancer

Subcompact

Encore/Alliance
Skyhawk
Cavalier
Chevette
Charger
Omni
Colt
Escort
EXP
Lynx
Capri
LN7
Firenza
Horizon
Turismo
Colt
T1000
J2000
Fiero
Mustang
Sprint
Spectrum
Nova
Sunbird

Imports

All
Models

COMPANY	YEAR	LUXURY	STANDARD	INTERMEDIATE	COMPACT	SUBCOMPACT	IMPORTS
AUTOMOTIVE RENTALS, INC.	1985	2.8	11.3	63.9	15.5	5.0	1.5
	1984	4.5	9.5	58.0	22.0	5.0	1.0
AVIS CAR LEASING	1985	4.0	18.4	65.7	4.5	5.3	2.1
	1984	3.8	16.5	63.0	7.8	6.9	2.0
COMMERCIAL CREDIT/McCULLAGH	1985	6.8	13.9	57.2	9.3	10.5	2.3
	1984	5.2	13.2	56.5	13.6	8.4	3.1
DART & KRAFT PORTFOLIO	1985*	2.8	10.3	66.3	15.5	4.4	0.7
	1984	3.3	7.3	59.2	18.2	10.2	1.8
GELCO	1985	2.5	9.1	55.4	24.7	7.1	1.2
	1984	2.3	8.6	46.3	34.2	7.8	0.8
LEND LEASE	1985	6.0	12.0	59.0	14.0	6.0	3.0
	1984	7.0	15.0	53.0	16.0	5.0	4.0
PETERSON, HOWELL & HEATHER	1985	2.1	8.7	63.6	22.2	2.7	.7
	1984	1.5	3.9	53.1	34.2	6.5	0.8
U.S. FLEET LEASING	1985	2.0	23.0	59.5	11.5	2.0	2.0
	1984	2.0	26.0	60.5	7.0	3.0	1.5
WHEELS	1985	1.5	11.6	71.4	12.0	2.8	0.7
	1984	1.0	11.2	66.0	17.8	3.4	0.6

* *Includes Leaseway, acquired late in '85.*

←Circle 126 on Inquiry Card

AALA Fleet Costs Survey For Closed-End Leases

Comparative Analysis of Average Per Unit Per Month Costs

Years 1985 and 1984

OPERATING COSTS:	1985	1984	Increase (Decrease) Amount	Increase (Decrease) Percentage	% of Total
Depreciation	$212.06	$206.05	($6.01)	(2.91%)	59.5%
Repairs and maintenance	30.03	33.40	(3.37)	(10.0)	8.4
Insurance	13.71	16.57	(2.86)	(17.26)	3.9
License tags and taxes	10.26	8.90	(1.36)	(15.28)	2.9
Interest	55.16	65.57	(10.41)	(15.90)	15.4
Delivery	1.70	1.09	(.61)	(55.96)	.5
Total Operating Costs	**$322.92**	**$331.58**	**($8.66)**	**(2.6)%**	**90.6%**
General and administrative	33.44	34.94	(1.50)	(4.29)	9.4
TOTAL COSTS	**$356.36**	**$366.52**	**($10.16)**	**(2.77%)**	**100.0%**

	1985	1984	1983	1982	1981	1980	1979	1978
Total costs per month	$356.36	$366.52	$328.13	$320.32	$306.82	$276.29	$247.98	$228.31
Avg. mos. in operation	29.5	29.9	30.2	28.1	27.3	27.4	26.6	26.3
Avg. annual mileage	—	34,923	29,770	34,646	31,894	34,591	28,952	30,609

Composition of the AALA Fleet

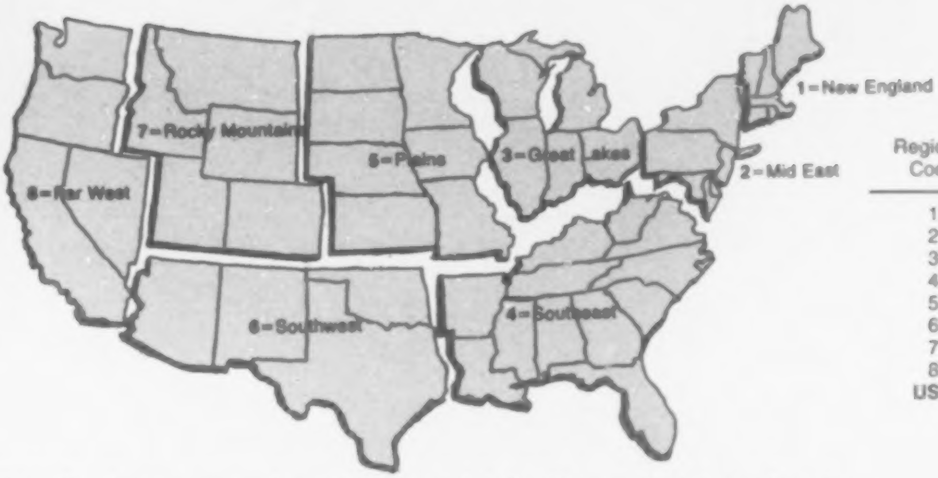
	Standard Models %	Intermediate Models %	Compact Models %	Air Conditioning %	Chevrolet %	Ford %	Lincoln/ Mercury %	Chrysler %	Pontiac %	Oldsmobile %	Buick %	Cadillac %	Others %	%Chevy, Ford & Chrysler/Plym.
Averages—1985	35	45	20	—	21	14	9	4	5	11	8	1	27	39
Averages—1984	19	57	24	96	26	13	3	6	5	13	18	1	15	45
Averages—1983	23	53	24	96	31	12	*	6	7	20	10	2	12	49
Averages—1982	23	51	26	94	32	11	*	5	8	18	12	3	11	49
Averages—1981	23	51	26	96	32	15	*	2	5	18	13	3	12	49
Averages—1980	32	48	20	96	40	15	*	1	6	14	9	2	13	56
Averages—1979	45	43	12	98	42	20	*	2	6	8	7	3	12	64
Averages—1978	48	44	8	93	44	16	*	3	4	9	4	6	14	63

Used-Car Disposition

	RECONDITIONING		DISPOSITION					
	% of AALA Members Doing Recon.	Average Amount	New Car Dealer Sales	New Car Dealer Trades	Used Car Dealers	Auctions	Lessee Employees	Other/Retail
1985	—	—	2%	—	41%	7%	20%	30%
1984	—	—	9%	—	46%	16%	19%	10%
1983	73%	$287	6%	—	52%	10%	14%	18%
1982	66%	$224	8%	—	46%	16%	16%	14%
1981	80%	$241	6%	4%	46%	13%	16%	20%
1980	57%	$218	7%	1%	43%	20%	20%	9%
1979	60%	$185	5%	2%	51%	21%	12%	9%
1978	61%	$170	11%	1%	43%	19%	14%	12%

Source: AALA Survey

Fleet-Car Operating Costs by Region



Regional Code	Running Expenses ¢/mile	Standing Expenses $/month
1	7.80	309.90
2	8.54	303.30
3	7.74	300.91
4	7.91	287.81
5	7.78	311.08
6	8.34	287.19
7	8.39	290.55
8	8.35	294.91
USA	**8.10**	**298.20**

Notes: Running expenses are incurred when a car is being driven, and include gasoline, oil, tires, and maintenance. Standing expenses are incurred whether or not the car is used, and include such fixed costs as interest, insurance, and license fees. Data covers leased cars and company-owned cars, from November 1985 U.S. Corporate Fleet Performance Report.
Source: Peterson, Howell & Heather, Inc., Center for Analysis and Research, which maintains a computerized data base on fleet car costs for its clients.

NAFA Personal-Use and Used-Car Data

Reimbursement For Use Of Personal Car
Mileage Only
(No Assigned Fleet Car)
U.S. Commercial Fleets Only

Amount	1981	1982	1983	1984	1985
15¢ or less	1%	2%	2%	1%	Range
16, 17, 18, 19¢	13%	15%	11%	10%	average
20¢	68%	69%	72%	56%	from
20½¢	*	*	*	22%	20.0¢
21, 22, 23, 24¢	17%	10%	12%	10%	to
25¢ or more	**	4%	3%	1%	23.2¢

Notes: *Not broken out in survey for those years but included in "20 cents a mile" figure.

**Not broken out previously, but included in the "more than 20 cents a mile" percentage.

Reimbursement For Use Of Personal Car
Mileage Only
(Assigned Fleet Car Not in Service)
U.S. Commercial Fleets Only

Amount	1981	1982	1983	1984	1985
15¢ or less	3%	5%	2%	1%	Range
16, 17, 18, 19¢	15%	13%	9%	8%	average
20¢	66%	68%	73%	56%	from
20½¢	*	*	*	23%	19.0¢
21, 22, 23, 24¢	17%	11%	14%	9%	to
25¢ or more	*	3%	3%	3%	21.6¢

Note: *Not broken out in surveys for those years but included in "more than 20 cents a mile" total.

Composite Commercial Fleet*

Fleet Size	706 units
Cars Sold in 1984	226
Model Year Cars Sold	
1980 or earlier	7
1981	68
1982	95
1983	40
1984	16
Marketing Methods	
To Employees	72
Wholesalers	56
Used Car Dealers	20
Auctions	58
Trade-Ins	20

Summary of U.S. Commercial Fleets*

Total Cars in Survey	
U.S. Commercial Fleets	101,030
Representative Leased Fleets	47,739
Sample of Owned Fleets	53,291
Average Months in Service	
All U.S. Commercial Fleets	30.2
Representative Leased Fleets	29.4
Sample of Owned Fleets	36.5
Average Miles When Sold	
All U.S. Commercial Fleets	57,732
Representative Leased Fleets	56,471
Sample of Owned Fleets	62,221

*Latest data available

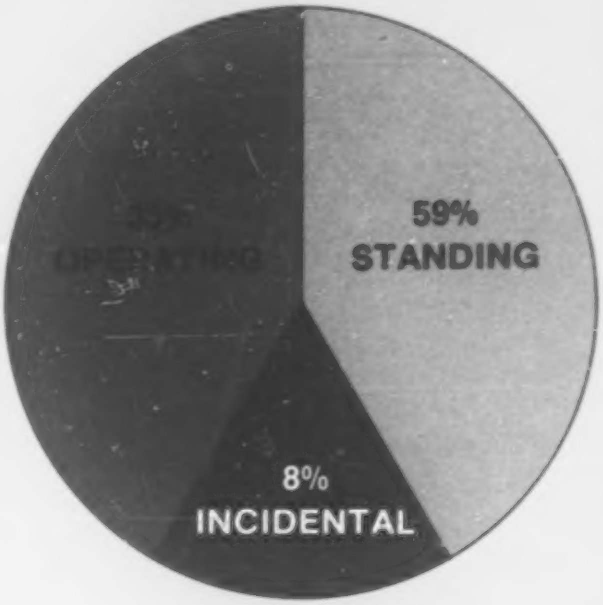
NAFA Survey of Operating Expenses

Operating Expense Comparisons Composite Fleets 1982 - 1984

	1982	1983	1984
Average Miles per Month	1,880	1,821	1,833
OPERATING EXPENSES			
(cents cost per car per mile)			
Fuel	.0643	.0579	.0560
Oil	.0011	.0016	.0012
Tires & Tire Repair	.0057	.0041	.0040
Repair & Maintenance	.0150	.0157	.0151
Total Operating Expenses	.0861	.0793	.0763
INCIDENTAL EXPENSES			
(dollar cost per car per month)			
License & Taxes	$ 8.63	$ 9.95	$11.62
Accident Repairs — Recoveries	7.39	8.85	8.74
Washing	6.14	4.12	4.25
Parking & Tolls	12.09	11.06	7.46
Miscellaneous	2.98	2.97	3.25
Total Incidental Expenses	$ 37.23	$ 36.95	$ 35.32
STANDING EXPENSES			
(dollar cost per car per month)			
Leasing Service Charge or Interest	$ 76.38	$ 72.05	$ 60.40
Depreciation Reserve	161.37	153.65	182.95
Depreciation Adjustment	-23.06	-12.38	-23.83
Selling Expenses	11.38	5.04	11.46
Insurance	23.94	20.96	19.03
Total Standing Expenses	$250.01	$239.32	$250.01
CREDITS			
(Dollar return per car per month)			
Personal Use Credit	$ 42.28	$ 47.70	$ 45.42
NET EXPENSES			
(Incidental expenses plus standing expenses less credits)	$244.96	$228.77	$239.91

Source: NAFA's annual Survey of Operating Expenses, April 1985.

COMPOSITE FLEET BREAKDOWN OF EXPENSES



Does Not Reflect
Personal Use or
Equipment Credits

Operating Expense Comparisons 1982 - 1984

Mid-Size Cars

	1982	1983	1984
Average Miles per Month	2,027	2,236	2,031
Fuel	.0748	.0616	.0614
Oil	.0014	.0016	.0018
Tires & Tire Repair	.0053	.0064	.0043
Repair & Maintenance	.0105	.0169	.0162
Total Operating Expenses	.0920	.0865	.0837
Average price per gallon of fuel	$1.36	$1.235	$1.26
Average miles per gallon	18.2	20.05	20.5

Compact Cars

	1982	1983	1984
Average Miles per Month	2,339	2,153	1,747
Fuel	.0627	.0517	.0528
Oil	.0015	.0017	.0014
Tires & Tire Repair	.0040	.0035	.0045
Repair & Maintenance	.0112	.0126	.0121
Total Operating Expenses	.0794	.0695	.0708
Average miles per gallon	21.8	24.1	23.8
Average price per gallon of fuel	$1.36	$1.235	$1.26

3. lessors

Index of Leading Lessors
(Rentals not included)

Rank	Lessor	No. Cars	No. Trucks	Total Vehicles
1.	Gelco	191,336	78,152	269,488
2.	PHH	170,000	70,000	240,000
3.	Dart-Kraft	—	—	100,000
4.	Wheels	70,000	25,000	95,000
5.	McCullagh	60,000	20,000	80,000
6.	ARI	50,000	20,000	70,000
7.	U.S. Fleet/Hertz	—	—	67,500
8.	Lend Lease	55-60,000	5-10,000	65,000
9.	Security Pacific	53,000	—	53,000
10.	Avis	43-46,000	3-4,000	48,500
11.	Bankers	—	—	40,000
12.	Ryder	—	38,000	38,000
13.	Kerr	—	—	33,000
14.	GECAL	30,000	1,000	31,000
15.	CFR	25,000	2,000	27,000
16.	Donlen	22,000	3,000	25,000
17.	Lease Plan	—	—	25,000
18.	Associates	15,000	9,000	24,000
19.	LMV	15,000	9,000	24,000
20.	BancAmerica	20,000	2,200	22,200
21.	Enterprise	—	—	20,000
22.	Borg-Warner	—	—	19,000
23.	All-State	14,000	4,000	18,000
24.	Dresser	11,800	3,500	15,300
25.	Mike Albert	12,000	2,000	14,000
26.	Executive	12,000	2,000	14,000
27.	Auto Rental Corp.	—	—	10,000
28.	Emkay	—	—	10,000

4. reference

Top Twenty-Five Business/Commercial Light-Truck & Van Fleets

'85	'84	Company	Contact	# Lt. Trucks and Vans
1.	1.	Sears Roebuck & Co. Chicago, IL	William H. Jones, III	13,800
2.	2.	Frito-Lay, Inc. Dallas, TX	Gorman R. Green Charles Loveless	12,271
3.	3.	Federal Express Corp. Memphis, TN	Jim Wheeler	11,441
4.	—	Continental Baking Co. St. Louis, MO	P.J. Walsh	7,800
5.	4.	ARA Services Philadelphia, PA	Ralph Jamic	5,000
6.	5.	Union Pacific System Omaha, NE	Don Dyer	3,900
7.	—	Interstate Brands Corp. Kansas City, MO	David Wiseman	3,712
8.	6.	Purolator Service, Inc. New Hyde Park, NJ	Jack Neusch	3,600
9.	7.	Standard Oil of IN Chicago, IL	Richard Swanson	3,500
10.	11.	Shell Oil Co. Houston, TX	J.A. "Judy" Wieman	3,395
11.	9.	Rollins, Inc. Atlanta, GA	Bob Holloman	3,350
12.	8.	Goodyear Akron, OH	A.P. Spencer	3,250
13.	20.	Xerox Rochester, NY	Ron Pink	3,000
14.	13.	Phillips Petroleum Co. Bartlesville, OK	James I. Grillot	2,965
15.	25.	Tenneco, Inc. Houston, TX	J.R. "Jack" Gudelman	2,964
16.	15.	Westinghouse Pittsburgh, PA	Lou Dobak	2,920
17.	10.	Burlington Northern Railroad, St. Paul MN	John Long	2,800
18.	12.	Exxon Co., USA Houston, TX	Jack Lamb	2,800
19.	—	W.R. Grace & Co. New York, NY	Edward Boheme	2,800
20.	16.	Canteen Corp. Chicago, IL	Mark Klein	2,500
21.	—	Montgomery Ward Chicago, IL	Roseann Neveitt	2,500
22.	19.	Union Carbide Corp. New York, NY	Walt Dzitko	2,500
23.	—	American Bakeries Charlotte, NC	R.G. Kearns	2,399
24.	21.	Honeywell Minneapolis, MN	Connie Wesley	2,356
25.	18.	Johnson Controls Milwaukee, WI	Bob Borchert	2,218

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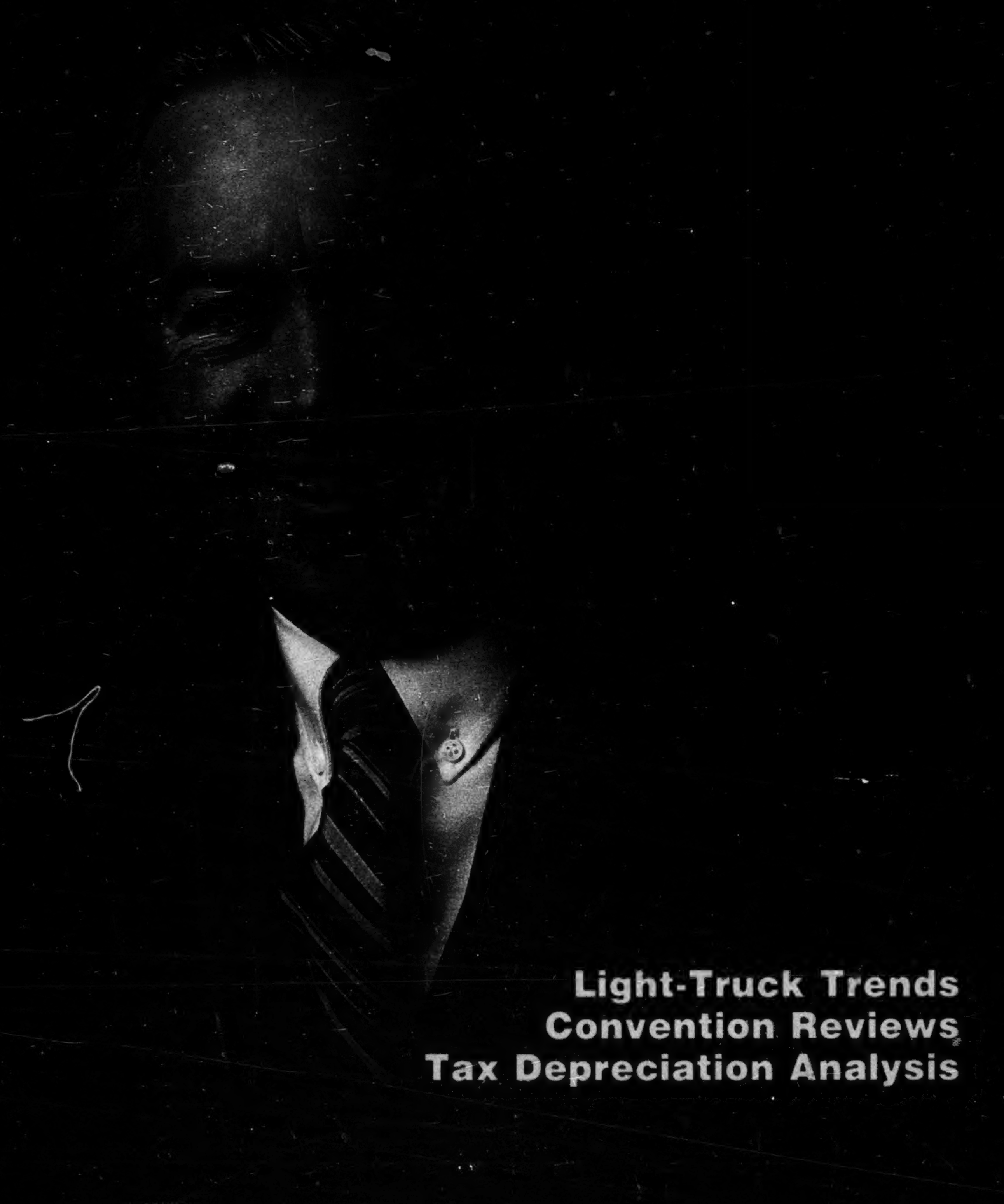
may 1986

automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE



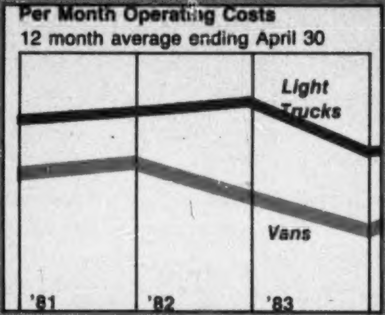
Light-Truck Trends

Convention Reviews

Tax Depreciation Analysis

automotive
FLEET
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

MAY 1986
VOL. 25, NO. 7
Influencing the management of
4,594,000 cars and 1,970,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.



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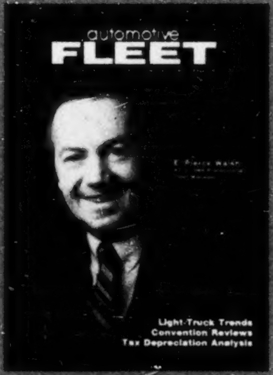

On our cover: E. Pierce Walsh of IC Industries has been voted the second winner of *Automotive Fleet*'s annual Professional Fleet Manager Award. Interview, page 33.

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troduction by Isuzu. The new four-door Trooper II will have a deluxe model trim and, according to the company, will be available at dealerships by mid-year. Previously available only in deluxe and LS trim, the P'UP extended-cab "Spacecab" model now comes in standard trim. The standard model will also be available in a four-wheel-drive version.

OPERATING COSTS AT ALL-TIME HIGH

The cost to own and run typical 1985-model compact cars in the top 20 U.S. cities increased an average of two cents to a record cost of 51.59 cents per mile, according to the Hertz Corp.'s annual new car cost survey.

The report found that Los Angeles again led the nation with outlays estimated at 62.79 cents a mile, up 3.5 cent from 1984; San Francisco stayed second, jumping to 62.79 cents, and New York City remained third, rising 2.89 cents to 60.14 cents.

Listed below are the 1985 and 1984 cent-per-mile costs and ranking of the 20 cities in the Hertz annual new car cost survey:

	1985	1984
1. Los Angeles	62.79¢	60.69¢
2. San Francisco	62.66	58.16
3. New York City	60.14	57.25
4. Denver	55.58	51.91
5. Miami	55.05	53.47
6. Chicago	54.53	52.74
7. St. Louis	53.41	51.57
20-City Average	51.59	49.61
8. Houston	50.72	49.31
9. Seattle	50.48	50.58
10. Boston	49.73	48.48
11. Atlanta	49.21	45.10
12. Minneapolis	48.85	47.58
13. San Diego	48.83	47.53
14. Detroit	48.42	46.47
15. Pittsburgh	47.53	45.44
National Average	47.64	45.67
16. Cleveland	47.48	45.80
17. Dallas	46.96	45.08
18. Dist. of Col.	46.75	45.00
19. Cincinnati	46.50	44.65
20. Milwaukee	46.26	45.42

Contributing to the increased operating costs were increases in vehicle sticker prices, insurance, licenses, fees, taxes, and maintenance. These increases more than offset lower car-loan interest rates, cheaper gasoline, and the introduction of more fuel efficient new cars. Hertz' estimates of costs are for normally-equipped vehicles purchased new and driven 10,000 miles a year for five years by average-new-car-buying families.

LEASING PLAN EXPANDED

AutoValue Lease Plan, a division of Yegen Associates, will begin offering its lease plan in California starting May 1. The lease plan, also known as AutoValue Lease Plan, is offered to dealers and independent lease companies on a non-recourse basis. AutoValue Lease Plan is headquartered in Pleasanton, CA.

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Things are changing in the light-truck segment. The percentage of trucks in fleets is on the rise, and one major lessor reports that its operating costs have declined. Spearheading the increase in fleet trucks are minivans.

Fleet Trends For Light Trucks and Vans

While trucks have a reputation for high operating costs, a recent lessor study shows that these expenditures have declined. Operating costs are lower today than they were in 1981, says Peterson, Howell, & Heather. The vehicle leasing company recently released the past four years' operating expenses for its 15,000 light-truck fleet compiled by its Center for Analysis and Research. In 1985, the average monthly cost per pickup was $477.72, while the average cost for vans was $444.80. (See figure 1.) Declining fuel prices and higher mileage truck CAFE standards have helped to push down operating costs. Also lowering operating costs have been aggressive factory rebates on certain trucks and vans. Figure 2 provides a breakdown by percentage of PHH's 1985 truck operating expenses. Although truck costs have declined for the past several years, PHH reports that in 1984 its cost-per-business mile climbed sharply. This jump is illustrated in figure 3. The abrupt increase was the result of an estimated 3.9 percent price hike for new trucks, a soft resale market, and smaller factory rebates. According to the lessor, as the national economy revived in 1984, many auto companies reduced or eliminated fleet sales incentives. In certain in-

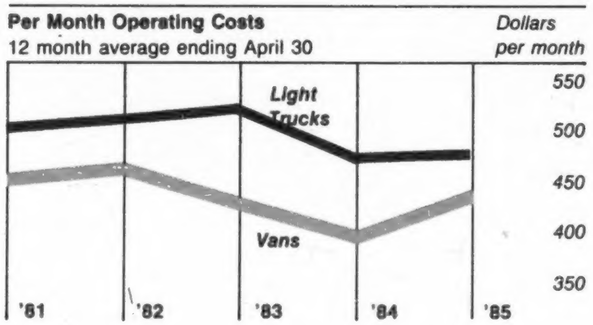


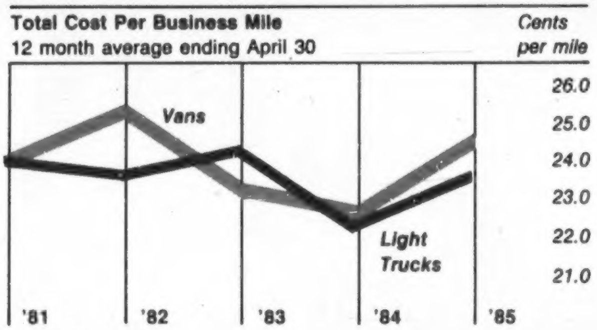
Figure 1

Percentage Breakdown of Truck Operating Expenses

Gasoline	36.7%
Depreciation	32.0
Interest and Services Fees	13.2
Maintenance Expenses	6.7
Insurance	5.5
Tires and Tire Repair	2.0
License and Taxes	1.7
Accident/Theft Expenses	0.7
Oil	0.6
Miscellaneous	0.3
Parking and Storage	0.3
Tolls	0.3
Total	**100%**

Figure 2

stances, manufacturers' production couldn't keep up with the demand for some vehicles such as vans.



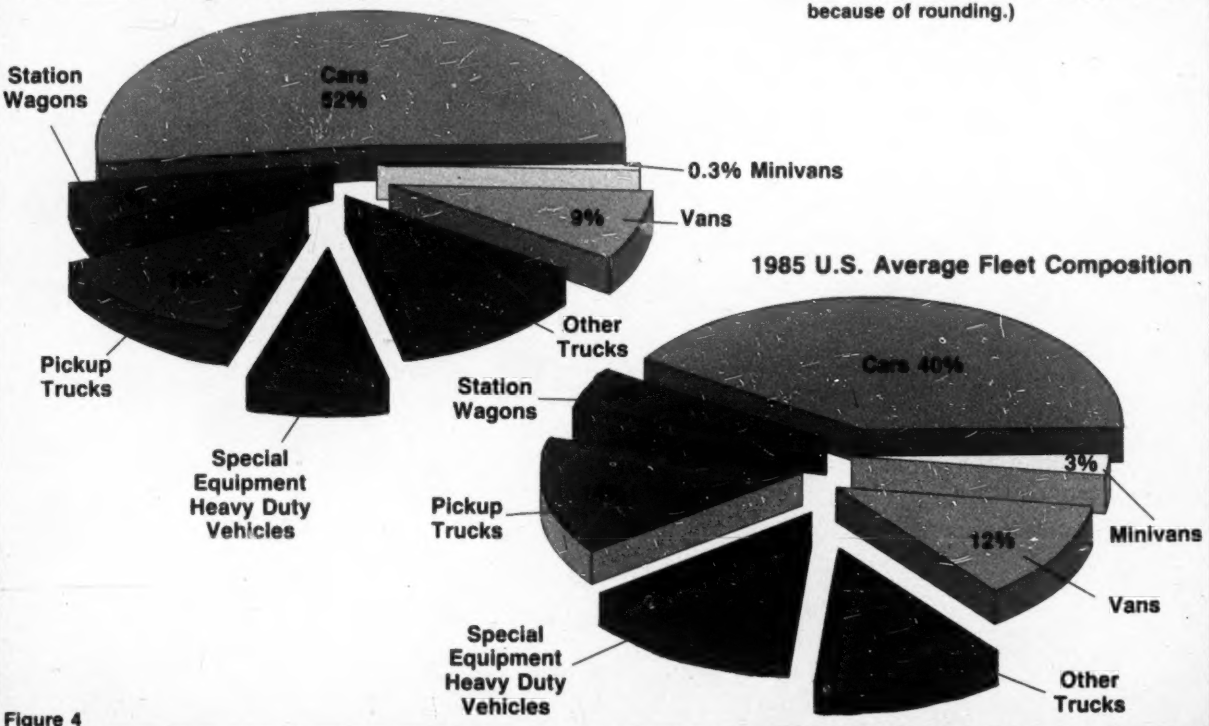
Total Cost Per Business Mile
12 month average ending April 30

Figure 3

While on lessor reports declining truck operating expenses, Runzheimer International says the percentage of light trucks within fleets has been increasing. One reason cited for the increase of trucks in fleets is because of downsized passenger cars. Nowadays, there are many fleet functions that downsized cars are not suitable to handle. Downsizing has unintentionally contributed to changing the vehicle makeup of fleets. This change is especially evident with vans and light-trucks.

As a result of downsizing, Runzheimer reports that many fleet executives are changing vehicle specifications and moving to vans, especially minivans, because of their cargo- *and* passenger-carrying capabilities. The Runzheimer data is based on a survey it recently completed investigating the vehicle makeup of U.S. fleets. (The survey analyzed the responses from 482 fleet executives managing 536,052 vehicles.) The survey revealed that the fleet market for minivans is growing rapidly. In the space of a year, fleet use of minivans has increased from 0.3 percent to three percent. In 1984, almost two out of every 10 fleets had one or more minivans. This doubled in 1985 to just under four out of 10 fleets. Needless to say, minivan fleet sales have been impressive, jumping to 58,200 in '85 from 22,776 in '84—a 156 percent jump. (Currently, minivans account for less than 25 percent of PHH's combined fleet.) The use of full-sized vans also increased in 1985 from nine to 12 percent. Other types of vehicles increasing within fleets were compact trucks, half-ton pickups, and specialized vehicles such as utility trucks.

As minivans entered the marketplace in '84 and '85, auto industry analysts went to work predicting which vehicle sales would decrease as customers began buying compact vans. What was discovered was that minivans did not significantly cut into the sales of either full-sized vans or station wagons. Despite growing minivan fleet sales, full-sized vans gained ground and station wagons



1984 U.S. Average Fleet Composition

(Percentage total does not equal 100% because of rounding.)

1985 U.S. Average Fleet Composition

Figure 4

held relatively steady. As vans increase in numbers, they've done so mostly at the expense of automobiles. In 1985, automobiles declined to 40 percent of the average fleet. One year earlier, cars represented 52 percent of all fleet vehicles. (See figure 4.) Additionally, the survey data suggests that light trucks are also proportionately gaining ground against cars. The fastest growing truck segments are classes 1,2, and 3, along with utility vehicles.

Budgets Have The Final Say

In 1981, vans were usually retired from fleet service shortly after 30 months. But since then, corporate fleets have kept vans on the road for longer periods, mostly because of budget constraints. (See figure 5.) PHH predicts that the extended service life trend will reverse as fleets replace their older units with more fuel-efficient models. The lessor projects the service life of minivans to be three years and 55,000, but cautions that it has not been collecting data long enough to substantiate this estimate. The months-in-use pattern for pickups has remained stable. The slight downturn indicated in figure 5, occurring in 1982, was mainly the result of fuel-efficient and downsized vehicles

Selling Fleet Vans To Employees

When it comes to developing successful employee buy-back programs, Ron Pink, fleet manager for Xerox, has to rate with the best. At the moment, Pink sells to employees *72 percent* of all retiring company vans. And we're not talking about a handful of vehicles, either. Xerox operates 4,400 vans and light trucks out of a total fleet of 13,900 vehicles. What makes these vans hot sellers are the vehicles themselves. "We wanted to do something different, so we gave our drivers a dual-purpose vehicle," Pink says.

For the 1986 model-year, Xerox ordered 1,000 Dodge Mini Rams and 1,000 Ford Econoline 150s. "We basically order a shell with no seats or anything else inside the van," he says. The vehicles are shipped from the factories to Elkhart, IN, where they are delivered to Midway Truck and Coach, a van-conversion company. The conversion company works closely with Pink and the factories due to the fast vehicle turnaround time. Pink says vehicles are ordered and delivered within a 90-day period.

Once at Midway Van & Coach, the van's passenger compartment is converted to provide all the "creature comforts" of a car. This includes fully carpeting the compartment, installing two high-back bucket seats and a rear fixed-bench, seating three passengers. Windows are

Ron Pink

cut out of the side of the vans behind the driver seat. "This eliminates problems where cargo vans are not allowed to drive on certain highways, as on Long Island," says Pink. In the rear of the van is a work-station area where Midway installs custom-designed storage cabinets. In addition, the vans are fully insulated since many of the items it carries are sensitive to heat and cold. The vans are primarily used by Xerox's customer service representatives.

For the most part, the Ford E-150s are ordered with six-cylinder engines except when the vans are used in California. There, V8s are ordered to supplement engine power which is diminished by the state-required emission control system. "When you upgrade to an eight (in California), you have enough power to equal a six-cylinder engine," says Pink. With the Dodge Mini Ram, Pink orders Chrysler's 2.2-liter engine. "Drivers say they are satisfied with the engine's pulling power and performance," he says.

What attracts many Xerox employees to buying the company vans is a van-conversion kit developed by Midway Van & Coach. According to Dick Newbury, Midway's vice-president, the conversion kit offers Xerox employees a variety of do-it-yourself options such as adding extra bucket seats, a rear sofa, cutting additional or larger windows, and installing running boards.

replacing older vans with larger engines.

Runzheimer cites several additional reasons for the growing fleet popularity of vans and light trucks. One reason is the ease fleet manager have in selling them to employees at trade-in time. (See related story on facing page.) The other advantage is high ground clearance, which is especially important to utility and petroleum company fleets. These companies operate off-road fleets that require the greater ground-clearance offered by vans and pickups. A common complaint about front-wheel-drive cars is that transaxles are often cracked when driven off-road because they hang too low to the ground.

Declining fuel costs have also been good news for fleets using vans and pickups. Van engines today provide better gas mileage, and when combined with lower fuel prices, have helped reduced overall fleet fuel costs. (See figure 6.) It's interesting to note on the fuel economy chart that van MPGs declined between 1983 and 1984. The reason was that many fleets kept older models in service resulting in lower overall fuel economy. As the national economy strengthened in 1984, these vans were finally replaced and more fuel-efficient models such as the minivans were acquired. These new vans began to improve average fuel economy in 1985.

There are several reasons for the differences in fuel economy between pickups and vans. Pickups are more fuel-efficient by shape, presenting a smaller, less blunt frontal-area to be pushed through the air. Another factor influencing fuel-economy statistics is that high-mileage pickups have been a fleet staple longer than the new minivans. As compact vans become more widespread, PH&H feels the spread in fuel mileage will narrow between the two. Chrysler's minivans, comprising 52 percent of the total minivan market, have already helped narrow this gap, says PH&H. (See figure 7.)

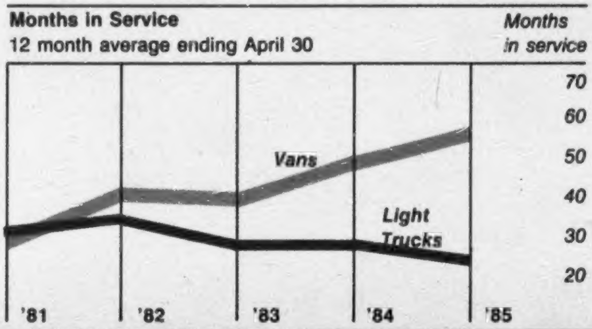


Figure 5

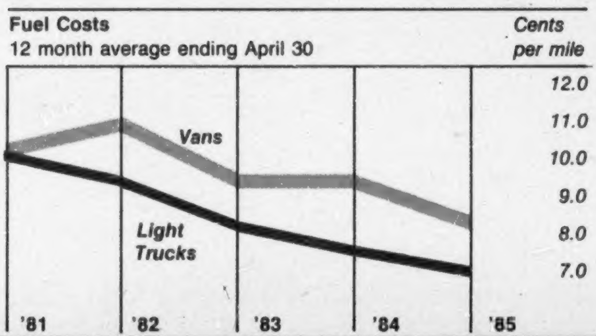


Figure 6

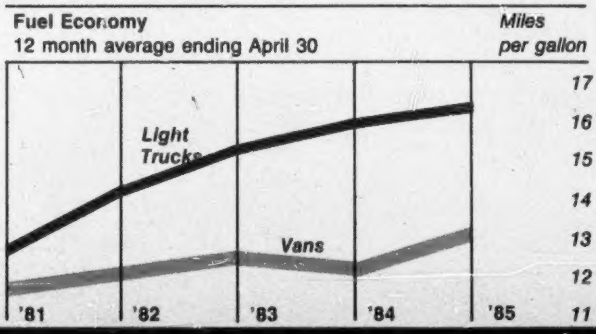


Figure 7

The House tax reform bill proposes to take cars and light trucks out of the Class 1, three-year depreciation category. But a new industry group says that could prove costly—in more ways than one.

In Support of Three-Year Depreciation

The Motor Vehicle Depreciation Coalition consists of the Motor Vehicle Manufacturers Association of the U.S. Inc.; General Motors Corp.; Ford Motor Co.; Chrysler Corp.; National Automobile Dealers Association; American Car Rental Association; The Hertz Corp.; Avis Corp.; Peterson, Howell & Heather, Inc., and Wheels, Inc.

The Coalition was formed to support the capital cost recovery provisions for business-use of automobiles and light trucks of a tax reform bill which would be the equivalent of current law — i.e., a Class 1 three-year depreciation period. The Coalition opposes the capital cost recovery provisions in the House *Tax Reform Act of 1985* (H.R. 3838), which moves automobiles and light trucks from Class 1 to Class 2 and increases the depreciation period from three years under current law to five years.

The House Ways and Means Committee report on the *Tax Reform Act* states that the intent of moving automobiles and light trucks from a Class 1 asset three-year depreciation period is to provide a more realistic capital cost recovery period. However, the data used to support the logic of the move were misleading. This is the case because the data were descriptive of the *total* U.S. automobile population and the *total* U.S. truck population, rather than the 18 percent subsection of the population represented by business automobiles, or the 15 percent business light-trucks subsection on which depreciation is actually taken.

Vehicle mileage is a major determinant of automobile and light-truck depreciation. U.S. Department of Transportation figures show that company-owned passenger cars are driven an average of nearly 23,000 miles per year, more than twice the annual mileage of household consumer-owned vehicles. Further, American Automotive Leasing Association data indicate that leased vehicles are driven approximately 30,000 miles per year.

Additional leasing industry data shows that, regardless of the duration of the lease contract, long-term lessors kept more motor vehicles in service for an average of about 28 months in 1984 and prior years. The vehicle holding period of daily-rental companies averaged 18.9 months in 1984. When passenger cars and light trucks are taken out of service, they are sold and replaced with new vehicles.

Motor vehicle leasing industry statistics indicate that the actual economic depreciation of passenger automobiles used for business purposes is approximately 2.1 percent per month based on the resale value of vehicles sold in the normal course of business. The monthly depreciation percentage based on a five-year life is 1.67 percent — a *significantly* slower rate of depreciation. Thus, it is clear that the depreciation provided under H.R. 3838 provides little or no incentive to purchasers of automobiles and light trucks.

The indicated intention of the Ways and Means Committee, as stated on page 146 of the Committee report on H.R. 3838, was that the depreciation system provide incentives. To accomplish the Committee's objectives, automobiles and light trucks should be retained in Class 1 with a three-year recovery period. A five-year recovery period for depreciation of automobiles and light trucks would be discriminatory with respect to motor vehicles as against other types of Class 1 assets.

In general, under the capital cost recovery system in H.R. 3838, the depreciation periods given for almost all types of assets are the Asset Depreciation Range (ADR) midpoint lives, which would be three years for automobiles and light trucks. The Coalition believes, and the data substantiates, the ADR midpoint lives for automobiles and light trucks are still the most accurate measure of economic depreciation.

The Coalition contends that extending the depreciation period for automobiles and light trucks from three years to five years would result in immediate negative impacts on a variety of industries and small businesses. We further submit that these immediate impacts will eventually have a negative effect on the economy as a whole, and may ultimately result in a loss of state and federal revenue.

Business purchases account for one of every three new automobiles sold in the United States. During the period 1980 through 1984, an average of 2,961,000 automobiles valued at $28.2 billion were purchased for business use, according to the U.S. Department of Commerce, Bureau of Economic Analysis.

The business market is sensitive to changes in tax consequences of ownership, of which depreciation is a major element. An immediate effect of a change from a three-year Class 1 depreciation period for automobiles and light trucks in current law to a five-year period as in the House *Tax Reform Act* would be a slowing down of depreciation deductions for business and, conversely, an expected gain in federal tax revenue. However, the total economic impact of changing the depreciation period for automobiles and light trucks from three to five years may, in fact, be adverse, and may well result in a net loss of tax revenue.

The purchase of an automobile is recognized as one of the largest capital expenditures by small business and as a major expenditure by any business. Laurence Meyer and Associates (St. Louis economic analysts) estimate that changing the current law capital cost recovery system for these vehicles to the five-year Incentive Depreciation System (IDS) would increase the cost of capital by eight percent, or about $800 per $10,000 motor vehicle. The depressive effect could result in an approximate annual automobile sales loss in excess of 175,000 units. U.S. Department of Labor, Bureau of Labor Statistics data indicate that these lost sales support the direct and indirect employment of more than 34,000 persons with annual wages approaching $600 million. These

Automobile Ownership, 1983

	Units	Percent
Total Private and Commercial Automobiles, 1983	125,773,000	100.0
Household-Owned Automobiles, 1983	102,873,000	81.8
Est. Business-Owned Automobiles, 1983	22,900,000	18.2

Note: Automobile includes station wagons and taxicabs.

Source: Motor Vehicle Manufacturers Association of the U.S., Inc. from U.S. Department of Transportation, Federal Highway Administration, Highway Statistics 1983 and 1983-84 National Personal Transportation Study.

Light Truck Ownership, 1983

	Units	Percent
Total Private and Commercial Light Trucks, 1983	29,017,000	100.0
Household-Owned Light Trucks, 1983	24,726,000	85.2
Est. Business-Owned Light Trucks, 1983	4,291,000	14.8

Note: Light-truck includes passenger van, other van, and pickup trucks with and without camper.

Source: Motor Vehicle Manufacturers Association of the U.S., Inc. from U.S. Department of Transportation, Federal Highway Administration, Highway Statistics 1983 and 1983-84 National Personal Transportation Study.

U.S. Retail Sales of New Automobiles

AUTOMOBILES (units 100)

Year	Consumer	Business	Gov't	Total	Business % of Total
1980	6,099.7	2,756.0	126.2	8,981.9	30.7%
1981	5,639.2	2,779.7	115.6	8,534.5	32.6
1982	5,295.3	2,582.5	101.8	7,979.6	32.4
1983	6,051.6	3,019.4	107.8	9,178.8	32.9
1984	6,588.6	3,668.1	133.8	10,390.7	35.3
1985 (11 mos.)	7,115.5	3,845.1	131.2	11,081.8	34.7

AUTOMOBILES ($ millions)

Year	Consumer	Business	Gov't	Total	Business % of Total
1980	$51,187	$22,923	$ 844	$ 74,954	30.6%
1981	52,757	25,222	854	78,833	32.0
1982	53,336	24,797	802	78,935	31.4
1983	64,398	30,381	889	95,668	31.8
1984	73,025	37,779	1,130	111,934	33.8
1985 (11 mos.)	81,650	40,969	1,153	123,772	33.1

Source: Unpublished data, U.S. Department of Commerce, Bureau of Economic Analysis.

lost wages would result in a $162 million per year direct decrease in federal revenues in the form of decreased income and social security taxes.

In recent years, business has had to contend with numerous changes in tax law and Internal Revenue Service proposed and temporary regulations concerning the personal use of company-provided motor vehicles. Many companies have reacted by eliminating part or all of their company-provided vehicles and have instituted programs to reimburse employees for using personally-owned vehicles for business purposes. Increasing business capital costs by lengthening the depreciation period for automobiles and light trucks will accelerate these actions. The results of these decisions cannot be precisely predicted; however, it is anticipated that the percent of imported vehicles used for business purposes will increase. Currently, company-provided vehicles are primarily products of domestic manufacturers, while imports are accounting for 26 percent or more of individual purchases.

The potential switch to imports could increase their 25.7 percent market share of the 1985 U.S. new car market and further exacerbate the trade deficit in passenger cars, estimated by the U.S. Department of Commerce to have been $31 billion in 1985. Any switch from domestic cars to imports would also increase U.S. unemployment and decrease federal revenues from individual income and social security taxes

Federal revenues derived from taxes on the profits of motor vehicle manufacturers, their suppliers and new car and truck dealers will be lowered as a result of the lost sales. The amount of the decreased revenues cannot be quantified. However, the decreased sale of units due to the depreciation period change will exceed 1985 U.S. automobile production levels of American Motors Corp., Honda of America Mfg., Inc., Nissan Motor Manufacturing Corp. in U.S.A., or Volkswagen of America, Inc.

In addition, other motor vehicle-related industries, such as the car and truck rental companies and leasing companies, may find their revenues decreased as a result of lowered demand for new vehicles stemming from slower depreciation rates.

For the above reasons, the Coalition urges that the capital cost recovery provisions for business-use of automobiles and light trucks of a tax reform bill be Class 1 three-year depreciation. Any extension of the depreciation period beyond three years could have a serious negative impact on the nation's economy.

As this article was being prepared, the Senate Finance Committee had just approved a tax-overhaul provision depreciating automobiles and light trucks over a three-year period using the straight-line method. Should the three-year plan survive a vote by the full Senate, a joint conference committee is expected to hammer out a compromise between Senate depreciation provisions and those called for in H.R. 3838 — perhaps as early as July. To let Washington know that you favor a three-year depreciation scheme, write to the key conference-committee members listed in the adjacent box. — Ed.

Conference Committee "Hit List"

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When a dealer closes out a top-selling year, this achievement should be acknowledged. Every year, AF *honors the top three dealers from each fleet make. We've listed below the 42 recipients of the 10th annual dealer awards.*

The Top-Selling Fleet Dealers of 1985

Last month, 42 automotive dealerships were presented the annual Fleet Dealer Award by *Automotive Fleet* magazine in recognition of their outstanding 1985 sales achievements. Topping this year's list with the most fleet sales was Wink Chevrolet of Dearborn, MI, with 21,350 vehicles sold. Wink Chevrolet was also the top-selling fleet dealer in 1984. The second place runner-up was Anthony Abraham Chevrolet of Miami, FL, with 16,634 units sold. Altogether, these 42 award-winning dealerships have sold over 208,800 vehicles for 1985. This represents an annual average of 4,971 vehicles sold by each dealer.

By tradition, the fleet dealer awards luncheon on Saturday, Awards Luncheon on Saturday, April 19, the final day of the Automotive Fleet and Leasing Association annual spring meeting held in Chicago. Present for the awards ceremony were fleet dealers and lessors, along with other fleet industry dignitaries. The annual fleet dealer awards were instituted nine years ago with plaques presented to the top three winners from each of the 14 major fleet makes.

As in the past, the automobile manufacturers have lent their support to the annual event by relating the top three winners to the magazine after generating the necessary computer printouts to verify dealer sales figures. Recognized for the first time this year were the American Isuzu fleet dealers. Interestingly, all top three American Isuzu dealers are located in Florida.

These dealers represent the best among their peers in this fiercely competitive marketplace. *Automotive Fleet* salutes these dealers. Printed below are the top three fleet dealerships from 14 different automobile manufacturers.

DEALER AWARDS FOR 1985

CHEVROLET	Bill Wink	Wink Chevrolet	Dearborn, MI	21,350
	John Tkac	Anthony Abraham Chevrolet	Miami, FL	16,634
	Jack Evans	Ed Morse Chevrolet	Lauderhill, FL	16,494
BUICK	Bob Stillman	Stillman & Hoag Buick	Englewood, NJ	7,680
	Jack Kelley	Reef Buick, Inc.	Lauderdale Lakes, FL	6,250
	B.H. "Sonny" King	Orange Buick Company	Orlando, FL	5,778
OLDSMOBILE	Mark Rosenstock	Dale Oldsmobile, Inc.	Bronx, NY	13,396
	Robert H. Sullivan	King Motor Company	Ft. Lauderdale, FL	9,524
	Donald J. Fenton	Larry Faul Oldsmobile	Schaumburg, IL	7,107

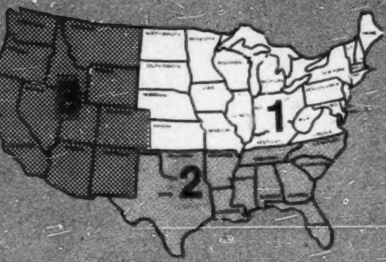
Automotive Fleet's Dealer Awards *continued*

PONTIAC	Walt Kozak	Penn Pontiac, Inc.	Baltimore, MD	10,458
	Bud Morrison	JM Pontiac	Hollywood, FL	9,564
	Donna Janazzo	Stephen Pontiac-Cad., Inc.	Bristol, CT	8,429
CADILLAC	Jack Evans	Bayview Cadillac	Ft. Lauderdale, FL	1,724
	Evelyn DeMarco	Polkowitz Motors	Perth Amboy, NJ	1,400
	Phil Davis			
	Fran Frier	Potamkin Cadillac	New York, NY	1,319
FORD	Chuck Price	Marshall Motor Co.	Mayfield Hts., OH	10,891
	Joe David	Pacifico Ford	Philadelphia, PA	7,195
	W.J. Bower	Friendly Ford	North Miami Bch., FL	7,160
LINCOLN-MERCURY	Jeannie Kerner	O'Connor Lincoln-Mercury	Los Angeles, CA	3,576
	Lloyd K. Brockett	Central Florida Motors	Orlando, FL	2,945
	Allen R. Brooks	Northgate Lincoln-Mercury	Tampa, FL	2,359
CHRYSLER/ PLYMOUTH	Ginger Bower	South Bay Chrysler/Ply.	Torrance, CA	5,244
	Jim Wallace	Galeana Chrysler/Ply., Inc.	Ft. Myers, FL	4,533
	Bill Marfizo	Glavic Chrysler/Ply., Inc.	Parma, OH	3,839
DODGE	Jack Evans	Ed Morse Dodge, Inc.	Ft. Lauderdale, FL	2,763
	Stan Smith	Del Amo Dodge	Torrance, CA	2,395
	Jack Taylor	Luke Potter Dodge	Winter Park, FL	2,220
AMERICAN MOTORS	Philip Artz	Hal Artz AMC/Jeep/Renault	Mayfield Hts., OH	1,257
	Andrew Manos	Courtesy AMC/Jeep/Renault	Bethesda, MD	571
	Leonard Casper	Greenfield AMC/ Jeep/Renault	Detroit, MI	483
AMERICAN ISUZU	Ben Smith	Mealey Smith Isuzu, Inc.	Orlando, FL	243
	Pete Kirill	Sutherlin Isuzu	Jacksonville, FL	212
	Bob Brady	Isuzu of Fort Pierce	Fort Pierce, FL	200
NISSAN	Ron Baker	Fresno Nissan	Fresno, CA	169*
	Akito Iriyama	Surfside Nissan	Oceanside, CA	162*
	Cline Dahle	Cline's Auto Sales, Inc.	Murray, UT	127*
TOYOTA	—	Longo Toyota	El Monte, CA	5,326
	Craig Kapson	Jordon Toyota, Inc.	Mishawaka, IN	3,652
	Ken Hagen	Gateway Toyota, Inc.	Toms River, NJ	3,352
VOLKSWAGEN OF AMERICA	Randy Morgan	Volkswagen of Santa Monica, Inc.	Santa Monica, CA	306
	Tricia Zeimantz	Foothill Volkswagen	La Canada, CA	287
	Ken White	Linda Volkswagen, Inc.	Scottsdale, AZ	226
			TOTAL	208,800

*Truck Sales Only

USED CARS

The following are average car prices ending April 16, 1985. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone 3**
83 AMC ALLIANCE			
Sdn 4 Dr L Series	2803	2831	2776
83 AMC CONCORD			
Sdn	3083	3114	3052
Sta Wgn	3256	3288	3223
83 BUICK SKYLARK			
Sdn Custom	3596	3634	3561
82 BUICK SKYLARK			
Sdn	2946	2977	2917
83 BUICK REGAL			
Sdn	4880	4930	4830
Cpe	5019	5070	4967
82 BUICK REGAL			
Turbo Cpe	4422	4464	4376
Cpe	4280	4323	4258
83 BUICK CENTURY			
Sdn Custom	4636	4686	4592
82 BUICK CENTURY			
Sdn Custom	4097	4136	4056
83 CADILLAC			
Cpe DeVille	8087	8169	8006
Sdn DeVille	8041	8123	7961
82 CADILLAC			
Cpe DeVille	6619	6685	6553
Sdn DeVille	6574	6640	6507
83 CHEVY			
Chvt Htchbk 4 Dr	2332	2355	2309
Camaro Cpe 8	5464	5519	5411
82 CHEVY			
Chvt Htchbk 4 Dr	1850	1868	1833
Camaro Cpe 8	4720	4768	4673
83 CHEVY CELEBRITY			
Sdn	4330	4375	4286
82 CHEVY CELEBRITY			
Sdn	3589	3623	3553
83 CHEVY CAVALIER			
Sdn	3856	3894	3821
82 CHEVY CAVALIER			
Sdn	2793	2822	2766
83 CHEVY CITATION			
Cpe 6	2922	2950	2791
82 CHEVY CITATION			
Cpe 6	2186	2207	2164
83 CHEVY MALIBU			
Clas Sdn	4107	4148	4066
Clas Sta Wgn	4276	4317	4233
82 CHEVY MALIBU			
Clas Sdn	3436	3471	3402
Clas Sta Wgn	3587	3621	3551
83 CHEVY MONTE CARLO			
Cpe	5092	5142	5041
82 CHEVY MONTE CARLO			
Cpe	4210	4251	4168
83 CHEVY IMPALA			
Sdn	4654	4699	4607
82 CHEVY IMPALA			
Sdn	3626	3662	3590
Wgn 9	3768	3807	3732
83 CHEVY CAPRICE			
Sdn	5101	5153	5051
Sta Wgn	5278	5332	5226
83 CHRYSLER			
E-Class Sdn	4330	4374	4287
82 CHRYSLER			
New Yorker Sdn	5151	5202	5100
83 DODGE OMNI			
4 Dr Cust	2674	2700	2647
82 DODGE OMNI			
4 Dr Cust	2016	2036	1997
83 DODGE ARIES			
Cpe	3067	3099	3036
82 DODGE ARIES			
Sdn	2535	2567	2511
83 DODGE DIPLOMAT			
Sln Sdn	2925	2955	2896
82 DODGE DIPLOMAT			
Sln Sdn	2925	2955	2896
83 FORD FAIRMONT			
Futura 6-Cyl Sdn 4 Dr	3106	3136	3075
82 FORD FAIRMONT			
Futura Sdn 4 Dr	2460	2483	2434
83 FORD MUSTANG			
L-Cpe 4	3581	3616	3544
82 FORD MUSTANG			
L-Cpe 4	2864	2892	2836
83 FORD LTD			
Sdn	3858	3895	3823
82 FORD LTD			
Sdn	3696	3733	3662
83 FORD ESCORT			
Htchbk 4 Dr	2628	2654	2602
83 FORD CROWN VIC			
Sdn	5688	5745	5634
82 FORD CROWN VIC			
Sdn	4378	4422	4333
83 FORD THUNDERBIRD			
Cpe	5333	5387	5279
82 FORD THUNDERBIRD			
Cpe	4131	4172	4088
83 LINCOLN CONTINENTAL			
Sdn	10179	10281	10077
Mark VI Cpe	10356	10460	10252
82 LINCOLN CONTINENTAL			
Sdn	8203	8284	8122
Mark VI Cpe	8454	8536	8368
83 MERCURY COUGAR			
Cpe	5428	5479	5370
82 MERCURY COUGAR			
GS Cpe	3029	3059	2999
83 MERCURY LYNX			
HchBk 2-Dr	2592	2617	2565
83 MERCURY MARQUIS			
Sdn	3601	3636	3565
82 MERCURY MARQUIS			
Sdn	3916	3956	3880
Wgn-2S	4041	4082	4001
83 OLDS CIERA LS			
Cpe	4771	4818	4722
Sdn	4822	4876	4793
83 OLDS CUTLASS SUPREME			
Cpe	5312	5365	5259
Sdn	5162	5215	5113
82 OLDS CUTLASS SUPREME			
Sdn	4339	4383	4296
Cpe	4507	4551	4463
83 OLDS DELTA 88			
Sdn	5046	5096	4995
82 OLDS DELTA 88			
Sdn	3835	3873	3787
83 OLDS DELTA 98			
Sdn	6961	7031	6892
82 OLDS DELTA 98			
Sdn	5665	5721	5607
83 OLDS OMEGA			
Sdn	3596	3634	3561
82 OLDS OMEGA			
Sdn	2946	2977	2917
83 OLDS FIRENZA			
Sdn	3904	3944	3865
82 OLDS FIRENZA			
Sdn	3234	3265	3201
83 PLYMOUTH HORIZON			
4 Dr Htchbk	2601	2627	2573
83 PLYMOUTH RELIANT			
Cpe	3077	3107	3046
82 PLYMOUTH RELIANT			
Cpe	2327	2349	2304
83 PONTIAC FIREBIRD			
Cpe 8	5521	5576	5466
83 PONTIAC 6000			
Cpe	4502	4547	4455
Sdn	4554	4606	4516
82 PONTIAC 6000			
Cpe	3801	3840	3762
83 PONTIAC GRAND PRIX			
Cpe	5256	5306	5203
83 VOLKSWAGEN JETTA			
4 Dr Sdn	4532	4576	4486
82 VOLKSWAGEN JETTA			
4 Dr Sdn	3806	3844	3768
83 VOLKSWAGEN L SERIES			
2 Dr Htchbk	3319	3362	3286
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	2563	2587	2536
83 DATSUN			
Sentra 2 Dr Std Sdn	2963	2993	2933
Stanza Hbk 4 Dr Dlx	4036	4076	3997
82 DATSUN			
210 Std 2 Dr	2148	2170	2128
Sentra 2 Dr	2433	2457	2410
Stanza Hbk 4 Dr Dlx	3308	3343	3276
83 TOYOTA			
Corolla Sedan 2 Dr	3636	3675	3601
Celica St	5155	5207	5104
Camry Sedan	5913	5973	5855
82 TOYOTA			
Corolla 2 Dr Sdn	2940	2969	2911
Celica St Cpe	4273	4316	4223

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City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Little Rock, AR	111.5	79.4
San Francisco, CA	120.8	85.3
Pueblo, CO	99.4	79.4
Key West, FL	143.9	111.4
Atlanta, GA	120.7	83.1
Cedar Rapids, IA	125.0	88.0
Ft. Scott, KS	80.9	74.9
Flint, MI	114.9	82.4
St. Louis, MO	105.9	70.7
Las Cruces, NM	94.9	76.9
Rochester, NY	98.6	89.9
Dayton, OH	106.4	67.4
Charleston, NC	126.9	78.9
San Antonio, TX	106.4	73.4
Milwaukee, WI	106.7	79.9

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automotive FLEET

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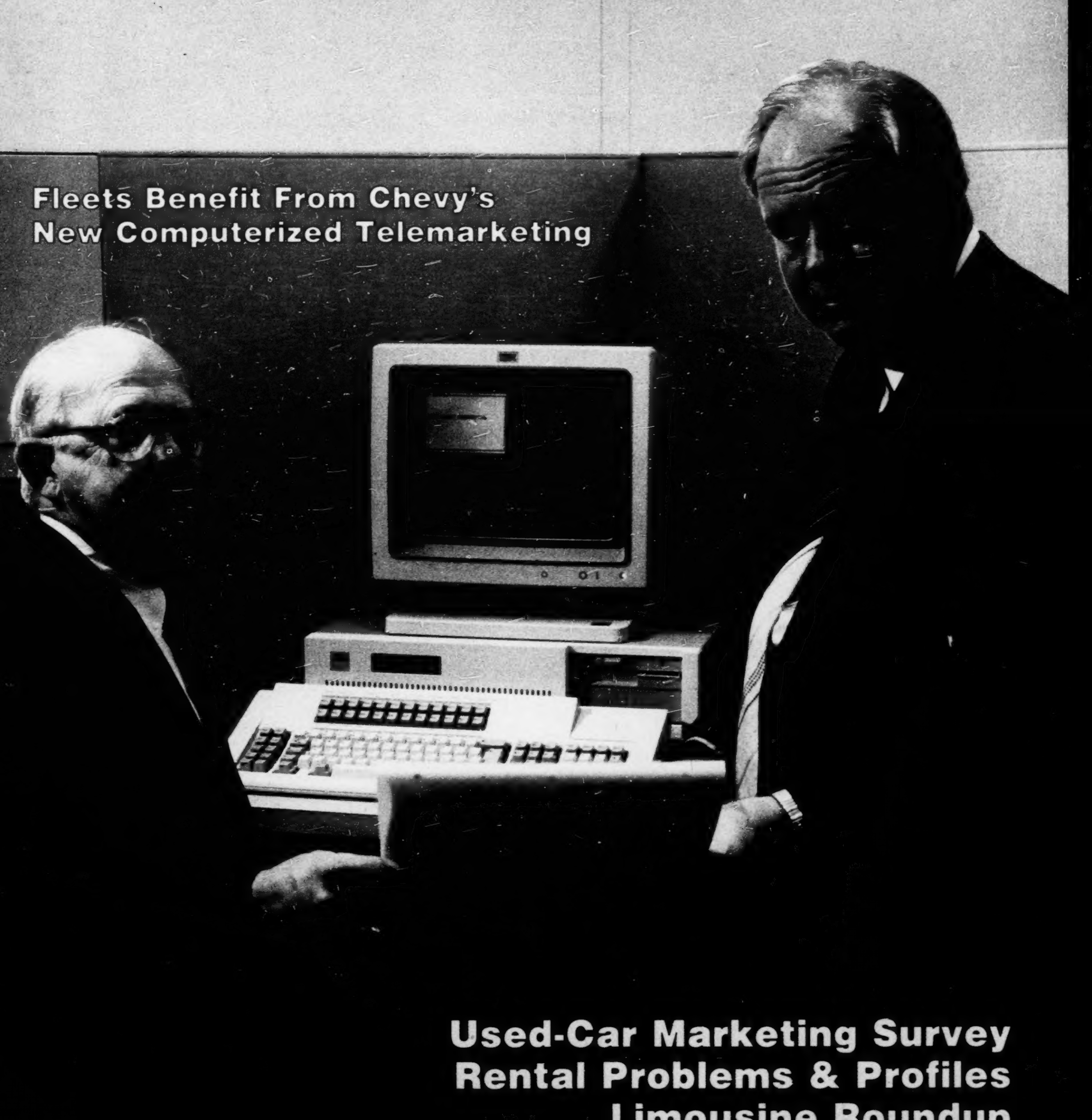

Fleets Benefit From Chevy's New Computerized Telemarketing

Used-Car Marketing Survey
Rental Problems & Profiles
Limousine Roundup

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FLEET
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

JUNE 1986
VOL. 25, NO. 8
influencing the management of
4,584,000 cars and 1,970,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.

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FLEET
Used Car Marketing Survey
Rental Problems & Profiles
Limousine Roundup

On our cover: Chevrolet Fleet Director George Frink (right) and Frank Sauceman, assistant manager of truck and fleet service operations, with one of the division's new computer terminals used for telemarketing. Story, page 23. (Photo courtesy GM Photographic and photographer Diane Wunderlich).

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INDUSTRY NEWS

VIDEO AUCTION VIA SATELLITE

The nation's first video automobile auction via satellite became operational May 1, allowing car dealers nationwide to simultaneously bid on the same cars via a communication satellite. Developed by the Satellite Auto Auction Co. of Amarillo, TX, the system enables buyers to view and then bid on cars in several different locations without having to leave their office.

The May 1 auction featured consignments from Hertz, Budget, Alamo, and Peterson, Howell & Heather.

"Any licensed dealer with access to a television equipped with a satellite receiving dish can bid on the vehicles without having to leave his office, home, or specified hotel," says R.B. Thomason, president of the video auction company.

The satellite video auction company videotapes the cars at the seller's lot. Dealers who want to participate in an auction must preregister with the Satellite Auto Auction Co. in order to receive a catalog and details on the auction. Dealers then preview the cars three hours before the auction over the specific satellite channel. When the auction begins, each sale vehicle appears on a TV monitor with an audio description of the car. A buyer can bid on a car by phoning auction headquarters and having the bid relayed to the auctioneer.

"The satellite auction concept saves both the buyer and seller valuable time and money," says Thomason. "It helps reduce the influence of isolated market conditions and makes cars available to all markets at the same time."

Earlier this year, the South Seattle Auto Auction and the General Motors Auction Department test-marketed a new computerized video sales application process called "Auto Access." The process involved selling vehicles located at the Denver Auto Auction via projection monitors and computer displays at a General Motors sale in Seattle.

4-CYLINDER SABLE IN FULL PRODUCTION

The 1986 Mercury Sable GS sedans with the 2.5-liter, four-cylinder engine started full production on April 28. "There is ample fleet availability, so four-cylinder Sable orders are scheduled almost the same day they are received," says John Rowley, manager of major leasing and fleet accounts for Lincoln-Mercury. Rowley says fleet reaction has been favorable to the Sable GS sedan because of the lower price and better fuel economy. The Sable LS sedan and the GS and LS station wagons are available only with the 3.0-liter V6 engine.

Tentatively, orders for all 1986 Sables can be received by Lincoln-Mercury until early July. Announced later will be firm balance-out dates for Sable and all other Lincoln-Mercury products.

AND THE WINNER IS...

Uniroyal Tire Company an-

Runzheimer International's
Projected Ownership And Operating Costs For Selected 1986 Model Cars

Make	Model	Weight (lbs.)	Overall Length	Drive Unit	Cyl.	Displace (Liters)	Operating Costs	Ownership Costs	Total Costs
Cadillac	DeVille	3378.5	195.0"	FWD	8	4.1	$1,750	$4,958	$6,708
Chevrolet	Caprice CL	3659	212.8	RWD	8	5.0	1,740	3.445	5,185
Oldsmobile	Cutlass SP	3233	200.4	RWD	6	3.8	1,570	3,272	4,842
Dodge	Caravan	2700	175.9	FWD	4	2.2	1,530	3,304	4,834
Ford	LTD	3001	196.5	RWD	6	3.8	1,570	3,256	4,826
Chevrolet	Celebrity	2824	188.3	FWD	6	2.8	1,480	3,150	4,630
Plymouth	Reliant K	2402	178.6	FWD	4	2.2	1,320	2,953	4,273
Ford	Tempo GL	2398	176.2	FWD	4	2.3	1,250	2,983	4,233
Chevrolet	Cavalier	2342	174.3	FWD	4	2.0	1,280	2,923	4,203
Ford	Escort L	2159	166.9	FWD	4	1.9	1,230	2,810	4,040

Footnotes: All cars similarly equipped including automatic transmission, power steering, power disc brakes, air conditioning, tinted glass, AM-FM radio (stereo when radio not available), body side moldings, cruise control and left-hand remote control mirror.

Operating costs include fuel, oil, maintenance and tires, ownership costs include insurance, depreciation, financing, taxes and license fees, and costs are based in a 3 year/60,000 mile retention cycle.

According to a new study by NAFA, U.S. business fleets are driving their cars an average of 61,000 miles these days before selling them off after some 30 months in service. And auto auctions are the most popular method of disposal.

NAFA's Used-Car Marketing Survey

U.S. fleets not only buy a lot of vehicles; they sell a lot of them, too. And according to a comprehensive new survey by the National Association of Fleet Administrators, the favorite method of fleet-car sale in 1985 was the auto auction.

A total of 323 fleets, responsible for 292,035 vehicles, responded to NAFA's 1985 used-car marketing survey. Four basic categories were surveyed in the study: U.S. commercial fleets, government fleets, public utility fleets, and Canadian fleets.

This NAFA survey shows 221 U.S. commercial fleets — responsible for 187,952 vehicles in the insurance, industrial manufacturing, chemical/petroleum, food/beverage, consumer manufacturing, drugs/cosmetic, and miscellaneous industries — marketing 30 percent of their cars in 1985. Their cars were in service for an average of 30.2 months, and were driven an average of 61,029 miles before replacement.

Thirty-two percent of these cars were sold at auto auctions; 29 percent to employees; 28 percent to wholesalers; 7.5 percent to new-car dealers, and 3.5 percent to used-car dealers.

According to the survey, when U.S. commercial fleets sell cars to employees, the price is determined most frequently (42.2 percent) by using *Automotive Market Report*; 15 percent go with NADA wholesale prices; 9.9 percent with wholesale value; 6 percent with book value; 6 percent with market value; 5.5 percent with *Black Book* value; 5.5 percent with the leasing company amount; 5.5 percent with other values; 1.7 percent with *Blue Book* value; 1.1 percent sell the car for the amount still owed on it; 1.1 percent sell it for the highest bid received, and 0.5 percent sell it for the amount at which it is appraised.

According to the NAFA study, 74 percent of the fleets do not plan changes in time or mileage schedules they use for disposing of vehicles. A vast majority (85 percent) do not recondition cars for sale; 96 percent sell their cars as is.

Here are relevant highlights for several of the responding groups:

Industrial Manufacturing Group

Forty-four industrial manufacturing fleets responsible for 66,852 vehicles responded to the survey. They sold 15,420 vehicles (23 percent) from their fleets in 1985.

When marketing their used cars, these fleets used auto auctions 34 percent of the time; sold the cars to employees 30 percent of the time; sold to wholesalers 22 percent of the time; to used-car dealers four percent of the time, and traded the car to a new-car dealer two percent of the time.

Average age for the marketed cars was 29.2 months. They had traveled an average of 61,146 miles.

If cars are sold to employees, the selling price is determined by *AMR* in 16 percent of responding fleets; 6 percent sell at market value; 6 percent use the NADA price; 3 percent use the leasing company amount; 3 percent use other prices; 2 percent use the *Black Book* price; 2 percent use book value of the car; 2 percent use wholesale value; 1 percent use *Blue Book* value.

A vast majority, 38 of 42 fleets, do not recondition cars before marketing them. All 42 sell cars as-is at times.

Most frequent replacement cycle for 1985 was 36 months/60,000 miles (nine fleets). Next was 36 months/55,000 miles (seven).

Thirty-five fleets said they are changing replacement cycles in 1986. Two are going from 36 months/60,000 miles to 30 months/70,000 miles; one is going from 20 months/55,000 miles to 30 months/75,000 miles; one is going from 24 months/50,000 miles to 36 months/60,000 miles; one will use 24 months/60,000 miles; one will use 36 months/70,000 miles, one 48 months/70,000 miles.

Still other fleets are changing only the mileage cycle. Two fleets will decrease their rate from 70,000 to 60,000 miles; one will go to 55,000 from 60,000; one from 50,000 to 55,000, one from 60,000 to 45,000.

The most frequently cited replacement cycles on tap for 1987 are 36 months/55,000 miles and 36 months/60,000 miles. Five fleets gave these as their projected numbers.

NAFA Used-Car Marketing Survey Summary Results

					Model					Selling Methods				
Group	Cars	Owned	Leased	Sold in 1985	1981 or Older	1982	1983	1984	1985	Auto Auction	Employee	Trade-In	Used Car Dealer	Wholesale
Total U.S. Commercial Fleets (221)	187,952	79,490	108,462	51,181	2,047	13,307	19,960	7,677	1,535	15,027	14,162	3,573	1,773	12,118
Insurance (51)	36,363	26,848	9,515	12,180	365	2,680	3,532	1,827	609	3,045	3,289	2,070	809	2,194
Industrial Mfg. (44)	66,852	15,776	51,076	15,420	771	6,168	5,397	1,850	154	5,243	4,826	308	617	3,392
Chemical & Petroleum (23)	12,966	8,088	4,878	3,282	450	1,411	450	788	0	460	492	131	197	1,477
Food & Beverage (23)	12,433	5,313	7,120	4,472	0	844	1,876	805	492	2,057	581	716	45	492
Consumer Mfg. (16)	13,173	5,747	7,426	4,276	43	812	1,924	513	0	1,753	1,165	299	43	898
Drugs & Cosmetics (16)	18,187	3,152	15,035	6,684	0	1,069	3,944	1,136	134	1,203	2,072	0	67	2,740
Government (44)	61,022	60,790	232	9,887	5,909	2,171	1,381	0	0	7,653	0	291	99	0
Canadian (44)	13,783	7,709	6,074	3,205	930	801	1,090	160	64	1,410	930	32	389	705
Public Utility (14)	27,978	38,326	952	3,870	1,200	155	77	39	0	3,444	348	0	39	0
Misc. (46)	27,978	14,566	13,412	4,867	146	1,265	2,239	436	0	4,667	1,947	49	195	925
Total Respondents (323)	292,035	176,315	115,720	67,943	9,814	16,532	21,912	7,556	1,453	27,534	15,440	3,898	2,300	12,823

Two fleets said they would use 24 months/50,000 miles and two said 36 months/50,000 miles. One each said 24 months/55,000 miles, 36 months/45,000 miles, 36 months/65,000 miles, 36 months/70,000 miles, 36 months/75,000 miles, and 37 months/50,000 miles.

Chemical & Petroleum Group

Twenty-three chemical and petroleum company fleets responsible for 12,966 vehicles responded to the survey. They sold 3,282 vehicles in 1985, 25 percent of their total fleet in service at the start of the year.

Forty-five percent of the cars were sold to wholesalers. Fifteen percent were sold to the employees; 14 percent were consigned to auto auctions; six percent were sold to used-car dealers, and four percent were traded for new cars.

The average age of cars sold in this category was 36 months. They had traveled an average of 67,239 miles.

When cars are sold to employees, price is based on the NADA list by five fleets; four use *AMR*; three use wholesale value; one uses the *Black Book*; one uses the leasing company value, one uses "other" methods.

Twenty of 21 fleets do not recondition cars before they sell them. All 21 sell cars as-is at times.

The most-often cited replacement cycle for 1985 chemical and petroleum company fleets was 36 months/60,000 miles (five fleets). Two use each of the following: 36 months/40,000 miles; 36 months/55,000 miles; 48 months/100,000 miles; 36 months only, 100,000 miles only.

One fleet each uses these: 36 months/100,000 miles; 36 months/49,000 miles; 60 months/100,000 miles; 60 months/65,000 miles; 60 months/80,000 miles, 90,000 miles only.

Sixteen fleets do not plan to change replacement cycles in 1986. Those who do said they will switch from 36 months/60,000 miles to 24 months/55,000 miles; from 36 months/40,000 miles to 60 months/70,000 miles; from 36 months/45,000 miles to 60 months/75,000 miles; from 48 months/100,000 miles to 36 months/50,000 miles; from 60 months/80,000 miles to 36 months/60,000 miles. Others will go to 30 months/55,000 miles, 36 months/90,000 miles, and 60 months/75,000 miles.

For 1987, four fleets will use 36 months/60,000 miles as their new replacement cycle. Three will opt for 36 months/55,000 miles; two 60 months/75,000 miles; two 100,000 miles only; one 90,000 miles only; one 26 months only; one 36 months/40,000 miles; one 36 months/49,000 miles; one 36 months/50,000 miles; one 60 months/100,000 miles; one 60 months/65,000 miles; one 60 months/80,000 miles; one 90,000 miles only.

Drug & Cosmetic Group

Sixteen drug and cosmetic company fleets responsible for 18,187 vehicles responded to the survey. In 1985 they sold 6,684 vehicles, 36 percent of the vehicles they had at the start of the year.

When marketing their used cars, these fleets sold 41 percent to wholesalers; 31 percent to employees; 18 percent were consigned to auto auctions; 1 percent went to used-car dealers, none went to new-car dealers.

Average age of the cars sold was 26.6 months, and they had an average of 56,687 miles at time of sale.

When selling cars to employees, seven fleets set the price at the *AMR* level; two sell at the book value for which they are carrying it; two use other price systems; one uses the *Blue Book*; one the wholesale value, one sells the car for the amount owed on it.

Fifteen drug and cosmetic company fleets do not recondition their cars before selling them; one does. Also, 13 fleets will sell a car as-is, two will not.

The most-often cited replacement cycle for these fleets in 1985 was 36 months/55,000 miles (six fleets). Other cycles were 36 months/60,000 miles (four); and one each noted 24 months/50,000 miles, 24 months/55,000 miles, 24 months/60,000 miles, 24 months/79,000 miles, 36 months/50,000 miles, and 36 months/65,000 miles.

Twelve fleets said they will not change their replacement cycles in 1986. Four fleets, on the other hand, said they will.

Of those fleets changing replacement cycles in 1987, three cycles were noted by three fleets as their choice for replacement: 36 months/50,000 miles; 36 months/55,000 miles; and 36 months/60,000 miles. Also noted were 24 months/50,000 miles and 24 months/60,000 miles.

Public Utility Fleets

Fourteen public utility company fleets, responsible for 29,278 vehicles (28,326 company-owned and 952 leased) responded to the survey. These fleets sold 3,870 vehicles in 1985, or 13 percent of the total number of vehicles in service at the beginning of the year.

Most of the cars marketed went to auto auctions; 89 percent of the fleets said they used auctions. Nine percent sold cars to their employees and one percent to used-car dealers.

Average age for cars sold in this category was 66.1 months. They also averaged 78,550 miles before being sold.

When cars are sold to employees in this category, the price is determined by the use of NADA price lists in three fleets. Two fleets accept the highest bid they get; two price it at the market value, and one sells the car at wholesale value.

None of the 14 respondents recondition cars before selling them and all 14 sell cars "as is."

The most frequently cited replacement cycles for public utility fleets were 96 months/100,000 miles and 100,000 miles only (two fleets listed each). Other cycles mentioned were: 120 months/75,000 miles; 84 months/80,000 miles; 60 months/90,000 miles; 60 months/70,000 miles; 60 months/60,000 miles; 60 months/50,000 miles; 42 months/55,000 miles; 36 months/80,000 miles; 36 months/60,000 miles; 80,000 miles only; 72 months only, and 60 months only.

Thirteen fleets said they do not plan on changing their replacement cycles from last year, while one fleet said it will. That fleet said it will go from 84 months/80,000 miles to 60 months/60,000 miles.

For 1987, the most frequent replacement cycles public utility fleets have on tap are 96 months/100,000 miles; 60 months/60,000 miles, and 100,000 miles only. Among other cycles given were: 120 months/75,000 miles and 72 months only.

U.S. Commercial Fleets Summary

Total Cars in Survey	
All U.S. Commercial Fleets (221)	187,952
Mostly Leased U.S. Commercial Fleets (101)	110,645
Mostly Company-owned U.S. Commercial Fleets (120)	77,307
Average Months In Service	
All U.S. Commercial Fleets (221)	30.2
Mostly Leased U.S. Commercial Fleets (101)	27.8
Mostly Company-owned U.S. Commercial Fleets (120)	33.5
Average Miles When Sold	
All U.S. Commercial Fleets (221)	61,029
Mostly Leased U.S. Commercial Fleets (101)	59,496
Mostly Company-owned U.S. Commercial Fleets (120)	63,073

Average Months and Miles In Service

	Average Months	Average Miles
Drugs and Cosmetics	26.6	56,687
Consumer and Manufacturing	26.8	57,529
Food and Beverage	28.5	62,623
Industrial Manufacturing	29.2	61,146
Insurance	29.9	57,960
Miscellaneous	34.6	64,019
Chemical and Petroleum	36.0	67,239
Canadian	32.2	78,460
Government	63.9	91,679
Public Utility	66.1	78,550

Composite Commercial Fleet

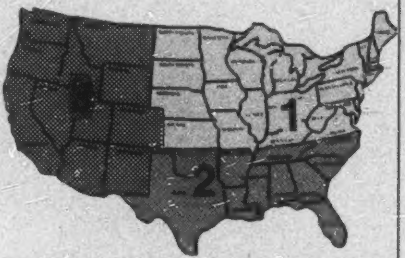
(Based on Average Commercial Fleet Responses)

Fleet Size	850
Cars Sold in 1985	232
Model Year of Cars Sold	
1981 or older	9
1982	60
1983	90
1984	35
1985	7
Unspecified	31
Marketing Methods	
Consigned to Auto Auction	68
Sold to Employee	65
Sold to Wholesalers	16
Traded to New Car Dealers	8
Sold to Used Car Dealers	55
Unspecified	20

Note: This composite data should be used with great care. These figures are compiled for year-to-year comparison only, and do not represent the used car marketing practices of any fleet.

USED CARS

The following are average car prices ending May 7, 1986. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



AVERAGE AUCTION PRICE			
Model	**Zone 1**	**Zone 2**	**Zone 3**
83 AMC ALLIANCE			
Sdn 4 Dr L Series	2817	2845	2761
83 AMC CONCORD			
Sdn	3068	3099	3007
Sta Wgn	3240	3272	3175
83 BUICK SKYLARK			
Sdn Custom	3580	3616	3508
82 BUICK SKYLARK			
Sdn	2934	2963	2875
83 BUICK REGAL			
Sdn	4929	4978	4830
Cpe	5069	5120	4968
82 BUICK REGAL			
Turbo Cpe	4466	4511	4377
Cpe	4323	4366	4237
83 BUICK CENTURY			
Sdn Custom	4862	4911	4765
82 BUICK CENTURY			
Sdn Custom	4126	4167	4045
83 CADILLAC			
Cpe DeVille	8144	8225	7981
Sdn DeVille	8097	8178	7935
82 CADILLAC			
Cpe DeVille	6639	6705	6506
Sdn DeVille	6593	6659	6461
83 CHEVY			
Chvt Htchbk 4 Dr	2095	2116	2053
Camaro Cpe 8	5464	5519	5355
82 CHEVY			
Chvt Htchbk 4 Dr	1644	1660	1611
Camaro Cpe 8	4720	4767	4626
83 CHEVY CELEBRITY			
Sdn	4343	4386	4256
82 CHEVY CELEBRITY			
Sdn	3571	3607	3500
83 CHEVY CAVALIER			
Sdn	3620	3656	3548
82 CHEVY CAVALIER			
Sdn	2490	2515	2440
83 CHEVY CITATION			
Cpe 6	2794	2822	2738
82 CHEVY CITATION			
Cpe 6	2163	2185	2120
83 CHEVY MALIBU			
Clas Sdn	4078	4119	4996
Clas Sta Wgn	4246	4286	4161
82 CHEVY MALIBU			
Clas Sdn	3418	3452	3350
Clas Sta Wgn	3569	3605	3498
83 CHEVY MONTE CARLO			
Cpe	5133	5184	5030
82 CHEVY MONTE CARLO			
Cpe	4223	4265	4139
83 CHEVY IMPALA			
Sdn	4531	4576	4440
82 CHEVY IMPALA			
Sdn	3596	3632	3524
Wgn 9	3738	3775	3663
83 CHEVY CAPRICE			
Sdn	5152	5204	5049
Sta Wgn	4208	4250	4124
83 CHRYSLER			
E-Class Sdn	4308	4351	4222
82 CHRYSLER			
New Yorker Sdn	5177	5229	5073
83 DODGE OMNI			
4 Dr Cust	2628	2654	2575
82 DODGE OMNI			
4 Dr Cust	1984	2004	1944
83 DODGE ARIES			
Cpe	3021	3051	2961
82 DODGE ARIES			
Sdn	2300	2323	2254
83 DODGE DIPLOMAT			
Sln Sdn	3578	3614	3506
82 DODGE DIPLOMAT			
Sln Sdn	2882	2911	2824
83 FORD FAIRMONT			
Futura 6-Cyl Sdn 4 Dr	2720	2747	2666
82 FORD FAIRMONT			
Futura Sdn 4 Dr	2448	2472	2399
83 FORD MUSTANG			
L-Cpe 4	3588	3624	3516
82 FORD MUSTANG			
L-Cpe 4	2855	2884	2798
83 FORD LTD			
Sdn	3471	3506	3402
82 FORD LTD			
Sdn	3678	3715	3604
83 FORD ESCORT			
Htchbk 4 Dr	2611	2637	2559
83 FORD CROWN VIC			
Sdn	5728	5785	5613
82 FORD CROWN VIC			
Sdn	4354	4398	4267
83 FORD THUNDERBIRD			
Cpe	5333	5386	5226
82 FORD THUNDERBIRD			
Cpe	4123	4164	4041
83 LINCOLN CONTINENTAL			
Sdn	10230	10332	10025
Mark VI Cpe	10408	10512	10200
82 LINCOLN CONTINENTAL			
Sdn	8219	8301	8055
Mark VI Cpe	8471	8556	8302
83 MERCURY COUGAR			
Cpe	5426	5480	5317
82 MERCURY COUGAR			
GS Cpe	2999	3029	2939
83 MERCURY LYNX			
HtchBk 2-Dr	2574	2600	2523
83 MERCURY MARQUIS			
Sdn	3512	3542	3442
82 MERCURY MARQUIS			
Sdn	3938	3977	3859
Wgn-2S	4061	4102	3980
83 OLDS CIERA LS			
Cpe	4794	4842	4698
Sdn	4853	4902	4756
83 OLDS CUTLASS SUPREME			
Cpe	5365	5419	5258
Sdn	5214	5266	5110
82 OLDS CUTLASS SUPREME			
Sdn	4382	4426	4294
Cpe	4552	4598	4461
83 OLDS DELTA 88			
Sdn	5061	5112	4960
82 OLDS DELTA 88			
Sdn	3835	3873	3758
83 OLDS DELTA 98			
Sdn	6982	7052	6842
82 OLDS DELTA 98			
Sdn	5665	5722	5552
83 OLDS OMEGA			
Sdn	3580	3616	3508
82 OLDS OMEGA			
Sdn	2934	2963	2875
83 OLDS FIRENZA			
Sdn	3924	3963	3846
82 OLDS FIRENZA			
Sdn	3234	3266	3169
83 PLYMOUTH HORIZON			
4 Dr Htchbk	2557	2583	2506
83 PLYMOUTH RELIANT			
Cpe	3031	3061	2970
82 PLYMOUTH RELIANT			
Cpe	2292	2315	2246
83 PONTIAC FIREBIRD			
Cpe 8	5493	5548	5383
83 PONTIAC 6000			
Cpe	4479	4524	4389
Sdn	4541	4586	4450
82 PONTIAC 6000			
Cpe	3748	3785	3673
83 PONTIAC GRAND PRIX			
Cpe	5296	5349	5190
83 VOLKSWAGEN JETTA			
4 Dr Sdn	4532	4576	4488
82 VOLKSWAGEN JETTA			
4 Dr Sdn	3805	3844	3768
83 VOLKSWAGEN L SERIES			
2 Dr Htchbk	3319	3352	3285
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	2563	2587	2536
83 DATSUN			
Sentra 2 Dr Std Sdn	2963	2993	2933
Stanza Hbk 4 Dr Dlx	4039	4078	3997
82 DATSUN			
210 Std 2 Dr	2148	2170	2128
Sentra 2 Dr	2433	2457	2410
Stanza Hbk 4 Dr Dlx	3309	3343	3276
83 TOYOTA			
Corolla Sedan 2 Dr	3638	3675	3601
Celica St	5155	5207	5104
Camry Sedan	5913	5973	5855
82 TOYOTA			
Corolla 2 Dr Sdn	2940	2989	2911
Celica St Cpe	4273	4316	4229

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City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Juneau, AK	152.9	130.9
Tucson, AZ	124.9	98.2
Inglewood, CA	146.9	94.4
Fort Morgan, CO	97.0	79.4
New Haven, CT	106.2	93.9
Washington, D.C.	126.4	90.4
Pensacola, FL	109.5	78.4
Rock Island, IL	94.9	81.4
Baton Rouge, LA	122.4	80.4
St. Charles, MO	93.4	71.9
Rochester, NY	92.6	82.9
Philadelphia, PA	101.5	74.2
Knoxville, TN	123.6	97.6
Bellaire, TX	117.9	66.9
Milwaukee, WI	111.3	85.1

Survey conducted during the first five working days of May 1986.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

Silver Anniversary Issue

- Pioneers Reminisce
- Daily Rental History
- 25-year Chronology of Events

automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

JULY 1986
VOL. 25, NO. 9
Influencing the management of
4,584,000 cars and 1,970,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.

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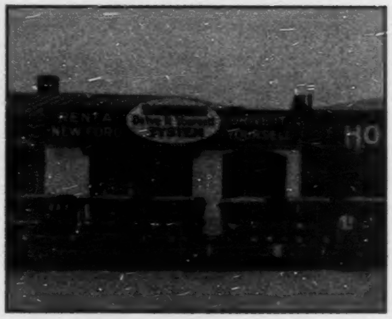

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On our cover: *Automotive Fleet* marks its 25th anniversary with cake, champagne — and a special thanks to you, our readers. Cake provided by the Cake Walk, Hermosa Beach, CA. Photo by Dennis Tannen of Tannen Photography, Montclair, CA.

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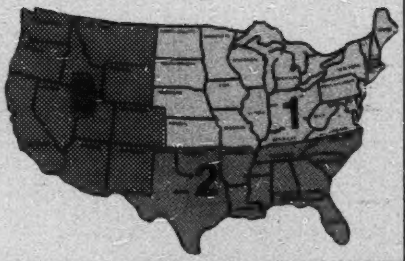
USED CARS

The following are average car prices ending June 11, 1986. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone 3**
83 AMC ALLIANCE			
Sdn 4 Dr L Series	2775	2803	2720
83 AMC CONCORD			
Sdn	3037	3068	2977
Sta Wgn	3208	3239	3143
83 BUICK SKYLARK			
Sdn Custom	3544	3580	3473
82 BUICK SKYLARK			
Sdn	2890	2919	2832
83 BUICK REGAL			
Sdn	4934	4983	4834
Cpe	5074	5125	4973
82 BUICK REGAL			
Turbo Cpe	4479	4525	4390
Cpe	4170	4213	4087
83 BUICK CENTURY			
Sdn Custom	4852	4901	4755
82 BUICK CENTURY			
Sdn Custom	4117	4158	4035
83 CADILLAC			
Cpe DeVille	8184	8267	8021
Sdn DeVille	8136	8267	8021
82 CADILLAC			
Cpe DeVille	6652	6717	6518
Sdn DeVille	6606	6672	6474
83 CHEVY			
Chvt Htchbk 4 Dr	2064	2084	2023
Camaro Cpe 8	5513	5569	5404
82 CHEVY			
Chvt Htchbk 4 Dr	1773	1791	1739
Camaro Cpe 8	4777	4825	4682
83 CHEVY CELEBRITY			
Sdn	4365	4408	4277
82 CHEVY CELEBRITY			
Sdn	3589	3625	3518
83 CHEVY CAVALIER			
Sdn	3584	3620	3512
82 CHEVY CAVALIER			
Sdn	2696	2722	2642
83 CHEVY CITATION			
Cpe 6	2752	2780	2697
82 CHEVY CITATION			
Cpe 6	2130	2152	2088
83 CHEVY MALIBU			
Clas Sdn	4069	4110	3988
Clas Sta Wgn	4237	4279	4153
82 CHEVY MALIBU			
Clas Sdn	3401	3434	3333
Clas Sta Wgn	3551	3587	3480
83 CHEVY MONTE CARLO			
Cpe	5159	5210	5055
82 CHEVY MONTE CARLO			
Cpe	4223	4265	4139
83 CHEVY IMPALA			
Sdn	4517	4562	4427
82 CHEVY IMPALA			
Sdn	3567	3603	3495
Wgn 9	3708	3745	3634
83 CHEVY CAPRICE			
Sdn	5136	5188	5034
Sta Wgn	5315	5368	5208

	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone 3**
83 CHRYSLER			
E-Class Sdn	4278	4320	4193
82 CHRYSLER			
New Yorker Sdn	5151	5203	5048
83 DODGE OMNI			
4 Dr Cust	2589	2615	2536
82 DODGE OMNI			
4 Dr Cust	1797	1815	1761
83 DODGE ARIES			
Cpe	2976	3006	2917
82 DODGE ARIES			
Sdn	2265	2288	2221
83 DODGE DIPLOMAT			
Sln Sdn	3542	3578	3471
82 DODGE DIPLOMAT			
Sln Sdn	2854	2882	2796
83 FORD FAIRMONT			
Futura 6-Cyl Sdn 4 Dr	2693	2720	2639
82 FORD FAIRMONT			
Futura Sdn 4 Dr	2412	2435	2363
83 FORD MUSTANG			
L-Cpe 4	3624	3660	3551
82 FORD MUSTANG			
L-Cpe 4	2884	2913	2826
83 FORD LTD			
Sdn	3506	3541	3436
82 FORD LTD			
Sdn	3652	3689	3579
83 FORD ESCORT			
Htchbk 4 Dr	3965	4005	3886
83 FORD CROWN VIC			
Sdn	5745	5802	5630
82 FORD CROWN VIC			
Sdn	4323	4367	4237
83 FORD THUNDERBIRD			
Cpe	5360	5413	5252
82 FORD THUNDERBIRD			
Cpe	4114	4155	4033
83 LINCOLN CONTINENTAL			
Sdn	10332	10436	10125
Mark VI Cpe	8513	8599	8344
82 LINCOLN CONTINENTAL			
Sdn	8260	8343	8095
Mark VI Cpe	8513	8599	8344
83 MERCURY COUGAR			
Cpe	5453	5507	5344
82 MERCURY COUGAR			
GS Cpe	2969	2999	2909
83 MERCURY LYNX			
HtchBk 2-Dr	2535	2561	2485
83 MERCURY MARQUIS			
Sdn	3547	3582	3476
82 MERCURY MARQUIS			
Sdn	3910	3949	3832
Wgn-2S	4033	4073	3952
83 OLDS CIERA LS			
Cpe	4784	4832	4689
Sdn	4843	4892	4746

	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone 3**
83 OLDS CUTLASS SUPREME			
Cpe	5370	5424	5263
Sdn	5220	5271	5115
82 OLDS CUTLASS SUPREME			
Sdn	4395	4439	4307
Cpe	4566	4612	4474
83 OLDS DELTA 88			
Sdn	5061	5112	4960
82 OLDS DELTA 88			
Sdn	3812	3849	3736
83 OLDS DELTA 98			
Sdn	6982	7052	6842
82 OLDS DELTA 98			
Sdn	5631	5688	5518
83 OLDS OMEGA			
Sdn	3544	3580	3473
82 OLDS OMEGA			
Sdn	2890	2919	2832
83 OLDS FIRENZA			
Sdn	3904	3943	3827
82 OLDS FIRENZA			
Sdn	3186	3217	3121
83 PLYMOUTH HORIZON			
4 Dr Htchbk	2519	2544	2468
83 PLYMOUTH RELIANT			
Cpe	2986	3016	2925
82 PLYMOUTH RELIANT			
Cpe	2258	2280	2213
83 PONTIAC FIREBIRD			
Cpe 8	5543	5598	5432
83 PONTIAC 6000			
Cpe	4488	4533	4398
Sdn	4550	4595	4459
82 PONTIAC 6000			
Cpe	3756	3793	3680
83 PONTIAC GRAND PRIX			
Cpe	5322	5376	5216
83 VOLKSWAGEN JETTA			
4 Dr Sdn	4487	4530	4443
82 VOLKSWAGEN JETTA			
4 Dr Sdn	3729	3767	3693
83 VOLKSWAGEN L SERIES			
2 Dr Htchbk	3286	3318	3252
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	2512	2535	2485
83 DATSUN			
Sentra 2 Dr Std Sdn	2889	2918	2860
Stanza Hbk 4 Dr Dlx	3938	3976	3897
82 DATSUN			
210 Std 2 Dr	2094	2116	2075
Sentra 2 Dr	2372	2396	2350
Stanza Hbk 4 Dr Dlx	3226	3259	3194
83 TOYOTA			
Corolla Sedan 2 Dr	3565	3601	3529
Celica St	5103	5155	5053
Camry Sedan	5795	5854	5738
82 TOYOTA			
Corolla 2 Dr Sdn	2881	2910	2853
Celica St Cpe	4188	4230	4144

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GAS PRICES

UNLEADED

	Cost Per Gallon Unleaded	
City	**Full-Serve**	**Self-Serve**
Juneau, AK	152.9	130.9
Tucson, AZ	124.9	98.2
Inglewood, CA	146.9	94.4
Fort Morgan, CO	97.0	79.4
New Haven, CT	106.2	93.9
Washington, D.C.	126.4	90.4
Pensacola, FL	109.5	78.4
Rock Island, IL	94.9	81.4
Baton Rouge, LA	122.4	80.4
St. Charles, MO	93.4	71.9
Rochester, NY	92.6	82.9
Philadelphia, PA	101.5	74.2
Knoxville, TN	123.6	97.6
Bellaire, TX	117.9	66.9
Milwaukee, WI	111.3	85.1

Survey conducted during the first five working days of May 1986.
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august 1986

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automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

ARI
The Fleet Management Professionals
CAR LEASING
ADVANCE HIGHLIGH
OF THE 1987 MOD
Peterson, Howell & Heather
Fleet Management Perspective
'87
1987 Make & Model Recommendations
1987
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US Fleet Leasing

'87 Models

Lessor Recommendations
Sneak Preview/Car Specs
Pull-Out Calendar
Fleet Incentives

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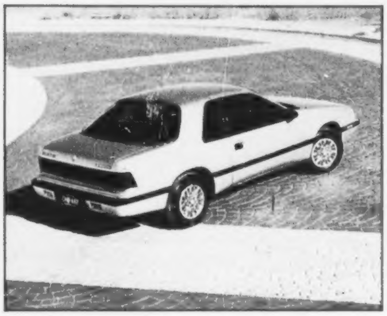
FLEET
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

AUGUST 1986
VOL. 25, NO. 10

Influencing the management of
4,584,000 cars and 1,970,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.



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automotive
FLEET
'87 Models
Lessor Recommendations
Sneak Preview/Car Specs
Pull-Out Calendar
Fleet Incentives

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cars. Managers expect the price of gas to return to its former rate soon, and any changes made in fleet composition probably would not be felt before the re-inflation.

NINE USED CARS = $173,675

Paragould Auto Auction in Paragould, AR, has released mileages and prices for nine "special" lease cars it recently sold for the Little Rock office of New Jersey-based Automotive Rentals, Inc.

Sold for a total of $173,675, the nine cars were: a 1985 Mercedes 500 SEL (grey market) with 17,000 miles, which sold for $35,000; two 1985 XJ6 Jaguars (grey market) each with 16,000 miles, each sold for $24,000; two 1985 944 Porsches, each with 16,000 miles, each sold for $19,600; one 1985 BMW 325E with 15,000 miles, sold for $16,500; one 1985 BMW 318I with 13,000 miles, sold for $13,500; one 1985 Mazda RX7 GSL SE with 6,000 miles, sold for $12,500, and one 1985 Mazda S with 4,000 miles, sold for $8,975.

COMPUTER SEMINARS FOR MANAGERS

Fleet managers will have a chance to view the latest in computerized information systems when GTE Data Services (GTEDS) hosts several free regional seminars to discuss its new FleetTracker turnkey fleet-management package. Conducted by various district managers for GTEDS — a subsidiary of GTE Corp. — the seminars will cover such day-to-day fleet concerns as repairs, preventive maintenance, parts inventory, mechanics, vendors, fuel and oil, and the monitoring of overhead costs.

Seminars scheduled for the next few weeks include: Charlotte, NC (August 7); San Diego, CA (August 20), and Hartford, CT (September 3). The FleetTracker package they will discuss is designed for large commercial fleets, consisting of an

Reimbursement For Use of Personal Car
No Assigned Fleet Car
(Mileage Only)
U.S. Commercial Fleets Only

Amount	1981	1982	1983	1984	1985
15 cents or less	1%	2%	2%	1%	1%
16-19 cents	13%	15%	11%	10%	5%
20 cents	68%	69%	72%	56%	42%
20.5 cents	*	*	*	22%	22%
21-24 cents	17%	10%	12%	10%	28%
25 cents or more	*	4%	3%	1%	2%

(Not computed in those surveys — included in "more than 20 cents a mile" category.)

Reimbursement For Use of Personal Car
Assigned Fleet Car Not In Service
(Mileage Only)
U.S. Commercial Fleets Only

Amount	1981	1982	1983	1984	1985
15 cents or less	3%	5%	2%	1%	2%
16-19 cents	15%	13%	9%	8%	5%
20 cents	66%	68%	73%	56%	42%
20.5 cents	*	*	*	23%	23%
21-24 cents	17%	11%	14%	9%	26%
25 cents or more	*	3%	3%	3%	2%

(* Not computed in those surveys—included in "more than 20 cents a mile" category.)

Personal Use Chargebacks
Fleets Using Straight Mileage Charge
U.S Commercial Fleets Only

Amount	1981	1982	1983	1984	1985
7.5 cents or less	2%	3%	3%	1%	27%
8-10 cents	43%	45%	28%	28%	14%
11-14 cents	55%	51%	43%	30%	10%
15 cents or more	*	*	26%	34%	49%

(* Not computed as such in those surveys—included in "more than 10 cents a mile" category.)

Source: NAFA's 1985 Personal Use Survey.

For the 1987 model year, the nation's top 10 lessors are urging fleets to consider legislative changes in their acquisition decisions, and to stick with fuel-efficient engines despite the recent drop in oil prices.

Lessor Recommendations

ARI

Because of the number of external pressures on leasing these days — from tax revision to tough odometer laws — ARI recommends that managers "exercise a certain degree of caution" before making any changes to the fleet configuration at all. The nation's sixth-largest lessor also suggests that vehicles driven 1,900 miles or more per month be replaced at approximately 45,000 miles, and that vehicles driven less than that be replaced by 60,000 miles, or 36 months. ARI further recommends that the following equipment be ordered on *all* vehicles: Automatic transmission, air conditioning, power steering, power brakes, AM/FM stereo radio, tinted glass, body side moldings, wheel covers, cloth interiors, and dual horns.

Sub Compact:

(4-Door Sedan or Hatchback when possible)

Chevrolet Cavalier
Dodge Omni
Ford Escort
Mercury Lynx
Plymouth Horizon
Pontiac Sunbird

Compact:

(4-Door Sedan or Hatchback when possible)

Chevrolet Corsica
Dodge Aries
Ford Tempo
Mercury Topaz
Oldsmobile Calais
Plymouth Reliant
Pontiac Grand AM

Cruise Control (Open Road High Mileage Vehicle), Whitewall Tires

Mid Size

(4-Door Sedan or Hatchback when possible)

Buick Century
Chevrolet Celebrity
Chrysler LeBaron GTS
Dodge Lancer
Ford Taurus
Mercury Sable
Oldsmobile Cutlass Ciera
Pontiac 6000

Cruise Control, Whitewall Tires

2-Door Specialty

Buick Regal
Ford Thunderbird
Mercury Cougar
Oldsmobile Cutlass Supreme

Cruise Control, Whitewall Tires

Full Size/Utility

(4-Door Sedan)

Chevrolet Caprice
Ford LTD Crown Victoria "S"

Cruise Control (Open Road High Mileage Vehicle), Whitewall Tires

Full Size/Management

(4-Door Sedan)

Buick LeSabre
Chevrolet Caprice Classic
Ford LTD Crown Victoria
Mercury Grand Marquis
Oldsmobile Delta 88
Pontiac Bonneville

Cruise Control, Whitewall Tires, Power Seats, Door Locks, Power Windows, Tilt Wheel

Wagon/Sub Compact

Chevrolet Cavalier
Ford Escort
Mercury Lynx

All wagons should be equipped equal to other models in their size category and should be 8-passenger where available.

Wagon/Compact

Dodge Aries
Plymouth Reliant

Wagon/Mid Size

Buick Century
Chevrolet Celebrity
Dodge Caravan
Ford Taurus
Mercury Sable
Plymouth Voyager
Pontiac 6000
Oldsmobile Cutlass Ciera

Wagon/Full Size

Chevrolet Caprice
Ford LTD Crown Victoria "S"
Pontiac Safari

AVIS

Vehicle selection is the single most important contribution to effective fleet management, Avis says. For the '87 model year, the tenth-largest lessor believes emphasis will continue on aerodynamic styling, electronic fuel injection, and performance. At the same time, Avis thinks that fuel cost and depreciation, which already represent nearly 70 percent of a vehicle's total cost, are likely to increase. To minimize depreciation, Avis recommends replacing vehicles before 50,000 miles and/or two full model years have passed, in the fall (October-November) and/or spring (March-April).

Avis, *continued*

VEHICLE SELECTION RECOMMENDATIONS

Vehicle Assignment	Vehicle Category	Engine	Model Level
Economy/Special	Sub-Compact	4 Cyl	Base Level
Purpose	Small	4 Cyl	Base Level
Sales/Service	Small	4, 6 Cyl	Mid Level
	Mid Size	4, 6 Cyl	Mid Level
Managerial	Mid Size	4, 6 Cyl	Top Level
	Full Size	6, 8 Cyl	Base Level
	Specialty	4, 6 Cyl	Selective
Executive			
Group I	Full Size	6, 8 Cyl	Mid Level
	Specialty	4, 6 Cyl	Selective
Group II	Full Size	6, 8 Cyl	Top Level
	Luxury	6, 8 Cyl	Top Level
	Specialty	4, 6, 8 Cyl	Top Level

NOTE: Where use dictates, select hatchback, station wagon or "mini" van/wagon which best fits passenger & cargo requirements.

RECOMMENDED EQUIPMENT BY VEHICLE ASSIGNMENT

I. ECONOMY/SPECIAL PURPOSE:

- Air Conditioning (Selective)
- Automatic Transmission (Selective)
- Power Brakes
- H.D. Suspension
- AM Radio
- Vinyl Upholstery (Selective)
- Body Side Molding
- Power Steering

II. SALES/SERVICE:

- Air Conditioning
- Automatic Transmission
- Power Brakes
- Power Steering
- AM/FM Stereo
- Interval Wipers
- Tinted Glass
- Cloth/Vinyl Upholstery
- L.H. OSRV Mirror, Remote
- Wheel Covers
- Body Side Molding
- Digital Clock
- Window, Drip Moldings, Where Applicable
- Door Edge Guards
- Front/Rear Floor Mats
- WSW Tires
- Rear Defogger, Where Required

III. MANAGERIAL, Above Plus:

- Tilt Wheel
- Cruise Control
- Light Package
- Power Windows
- Power Door Locks

IV. EXECUTIVE, Above Plus

Group I:

- Power Seat-Driver
- Automatic Air Conditioning
- Styled Wheels
- Vinyl Roof or 2-Tone Paint

Group II: Above Plus

- Tilt-Telescope Wheel
- AM/FM Stereo Cassette
- High Level Upholstery
- Instrumentation Package
- Power Seats—All

DART & KRAFT FINANCIAL

Mindful of cost-efficiency and the fact that base-level, high-mileage fleet units are faring poorly on the used-car market, Dart & Kraft has revised its '87 recommendation categories by eliminating Compact Class II and Subcompact Class I cars (the former included the likes of the Dodge Aries and Ford Tempo GL; the latter, Buick Skyhawk and AMC Alliance DL). A combined Subcompact/Utility category has been formed in their place. The third-ranking lessor has also established a base equipment recommendation considered necessary to assure good resale value. That recommendation is: Automatic transmission, air conditioning, AM/FM stereo, tinted glass, body side molding, power steering, power brakes, floor mats, tilt steering, left-hand remote mirror, cruise control, electric defroster, deluxe wheel covers, steel-belted whitewall tires, and recommended power train (varies by make and model).

EXECUTIVE CLASS

MAKE/MODEL	PROJECTED INTRODUCTION FACTORY INVOICE
Buick Electra Park Avenue	$16,829.00
Cadillac Sedan DeVille	$18,816.00
Chevrolet Caprice Classic Brougham	$13,302.00
Chrysler New Yorker	$15,610.00
Ford LTD Crown Victoria LX	$14,845.00
Mercury Grand Marquis LS	$14,912.00
Oldsmobile 98 Regency	$16,516.00

EQUIPMENT

Base equipment content plus the following options:

- AM/FM Stereo Cassette
- Electric Mirrors
- Convenience Group
- Automatic Truck Release
- Power Door Locks
- Locking Wire Wheel Covers
- Vinyl Roof
- Power Windows
- 6-Way Power Seat

All purchase prices are based on estimated 1987 introduction pricing, incuding optional equipment and freight charges. (Rebate and Incentive programs are not considered in pricing.)

Recommended replacement cycling is 36 Months/ 40,000 miles.

(Note: All listing of vehicles is by alphabetic order and should not be construed as a ranking.)

FULL SIZE

MAKE/MODEL	PROJECTED INTRODUCTION FACTORY INVOICE
Buick LeSabre Custom	$12,614.00
Chevrolet Caprice Classic	$11,780.00
Ford Crown Victoria	$13,117.00
Oldsmobile Delta 88	$12,668.00
Pontiac Bonneville	$12,614.00

EQUIPMENT

Base equipment content plus the following options:

- AM/FM Stereo Cassette
- Dual Mirrors/LH Remote
- Power Door Locks
- Locking Wire Wheel Covers
- Automatic Trunk Release

Recommended replacement cycling is 36 Months/55,000 miles.

Dart & Kraft, *continued*

INTERMEDIATE

CLASS I

MAKE/MODEL	PROJECTED INTRODUCTION FACTORY INVOICE
Buick Century	$11,292.00
Chrysler LeBaron GTS	$11,251.00
Dodge 600 SE	$11,080.00
Ford Taurus LX	$12,996.00
Mercury Sable LS	$13,175.00
Oldsmobile Cutlass Ciera	$11,270.00
Pontiac 6000 LE	$11,194.00

EQUIPMENT

Base equipment content plus the following options:

AM/FM Stereo Cassette
Dual Mirrors/LH Remote
Locking Wire Wheel Covers
Automatic Truck Release
Power Door Locks

Recommended replacement cycling: 36 Months/ 55,000 miles.

INTERMEDIATE

CLASS II

MAKE/MODEL	PROJECTED INTRODUCTION FACTORY INVOICE
Chevrolet Celebrity	$10,116.00
Dodge Lancer	$10,510.00
Dodge 600	$10,137.00
Ford Taurus L	$10,339.00
Mercury Sable GS	$11,142.00
Plymouth Caravelle	$ 9,984.00
Pontiac 6000	$10,408.00

EQUIPMENT

Base equipment content.

Recommended replacement cycling: 36 Months/ 55,000 miles.

COMPACT

MAKE/MODEL	PROJECTED INTRODUCTION FACTORY INVOICE
Buick Skylark Custom	$10,772.00
Dodge Aries LE	$ 9,839.00
Ford Tempo LX	$ 9,876.00
Mercury Topaz LS	$10,641.00
Oldsmobile Calais	$10,470.00
Plymouth Reliant LE	$ 9,839.00
Pontiac Grand Am	$ 9,975.00

EQUIPMENT

Base equipment content.

Recommended replacement cycling: 36 Months/ 55,000 miles.

UTILITY CLASS

MAKE/MODEL	PROJECTED INTRODUCTION FACTORY INVOICE
Renault Alliance L	$ 7,960.00
Chevrolet Cavalier	$ 8,335.00
Dodge Omni	$ 7,889.00
Dodge Shadow	$ 8,086.00
Ford Escort L	$ 7,710.00
Mercury Lynx	$ 7,817.00
Plymouth Horizon	$ 7,885.00
Plymouth Sundance	$ 8,806.00

EQUIPMENT

Automatic Transmission
Air Conditioning
AM Radio
Floor Mats
Left Hand Remote Mirror
Power Steering
Power Brakes
Body Side Molding
Tinted Glass
Recommended Power Train

Recommended replacement cycling: 36 Months/ 60,000 miles.

GELCO

In making its recommendations, Gelco also includes figures for acquisition costs, operating costs, and resale values. The nation's largest vehicle lessor notes that '87 acquisition costs have risen by an anticipated 3 percent over April 1, 1986 prices. It further points out that its operating cost projections do not include fuel costs, and that '87 resale values are basically unchanged from '86 due to Gelco's belief that new vehicles sales will stay strong. "The result of strong new vehicle sales will be a strong dealer inventory in used vehicles without going to auctions," the lessor says, cautioning that six-cylinder, full-size automobiles will continue to be particularly weak on the used-car market. The firm is still recommending overall replacement parameters of 30 months or 50,000 miles, urging emphatically that clients set a policy to allow sales to their drivers and company employees.

LUXURY GROUP

	Acquisition Cost	Operating Cost Cent/Mile	Resale value	EPA MPG City	EPA MPG Highway
Buick Electra Park Avenue	$16,010	$.0187	$10,000	18	25
Buick Riviera	$18,155	$.0187	$11,200	19	28
* Chrysler New Yorker (Turbo)	$14,377	$.0190	$ 8,500	20	23
* Lincoln Continental (Turbo)	$21,542	$.0202	$12,000	16	23
* Lincoln Mark VII	$19,596	$.0201	$11,500	16	23
Oldsmobile Toronado	$17,779	$.0187	$11,000	19	28

* Guaranteed resale value programs were available in 1986.We believe these programs will be continued in 1987.

Gelco, *continued*

Luxury Recommended Equipment

- Eight-Cylinder Engine Where Available
- Automatic Transmission
- Power Steering
- Power Brakes
- Dual Remote Mirrors
- AM/FM Stereo Radio with Cassette
- Automatic Air Conditioning
- Tinted Glass Windows
- Power Door Locks
- Power Windows
- Power Seats
- Power Trunk Release
- Cruise Control
- Tilt Steering Wheel
- Electric Rear Window Defroster
- White Side Wall Tires
- Body Side Molding
- Front & Rear Carpeted Mats

FULL-SIZE GROUP

Buick LeSabre Custom	$12,256	$.0187	$6,400	18	24
Chevrolet Caprice Classic	$11,491	$.0201	$5,800	18	24
** Ford Crown Victoria	$12,859	$.0195	$6,400	16	23
** Mercury Grand Marquis	$13,355	$.0195	$6,500	16	23
* Pontiac Bonneville	$11,955	$.0187	$6,200	18	24
Oldsmobile Delta 88 Royale	$12,249	$.0187	$6,400	18	24

* Be aware of significant design changes for 1987.

** Guaranteed resale value programs were available in 1986. We believe these programs will be continued in 1987.

Full-Size Recommended Equipment

- Six or Eight Cylinder Engine
- Automatic Transmission
- Power Steering
- Power Brakes
- AM/FM Stereo Radio
- Dual Mirrors
- Air Conditioning
- Tinted Glass Windows
- Power Door Locks
- Power Windows
- Cruise Control
- Tilt Steering Wheel
- Electric Rear Window Defroster
- Front & Rear Mats
- White Side Wall Tires
- Body Side Moldings

SPECIALTY GROUP

Buick Regal	$11,102	$0.019	$5,400	19	24
Chevrolet Camaro	$10,380	$.0195	$5,300	22	32
Chevrolet Monte Carlo	$10,805	$.0199	$5,400	19	24
Chrysler LeBaron GTC	$11,500	$.0190	$5,500	N/A	N/A
* Dodge Daytona	$10,262	$.0180	$5,600	23	26
* Ford Thunderbird	$11,461	$.0202	$5,600	19	22
* Mercury Cougar	$11,752	$.0202	$5,700	19	22
Oldsmobile Cutlass Supreme	$11,392	$.0199	$5,400	19	24
Pontiac Firebird	$10,978	$.0195	$5,400	22	32
Pontiac Grand Prix	$10,869	$.0199	$5,300	19	24

* Guaranteed resale value programs were available in 1986. We believe these programs will be continued in 1987.

Specialty Recommended Equipment

- Four or Six-Cylinder Engine
- Automatic Transmission
- Power Steering
- Power Door Locks
- Tinted Glass Windows
- Cruise Control
- Tilt Steering Wheel

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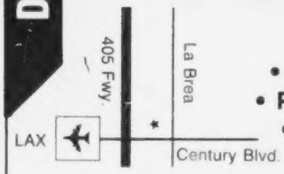

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Gelco, *continued*

- Power Brakes
- AM/FM Stereo Radio
- Sport Mirrors
- Air Conditioning
- Power Windows
- Electric Rear Window Defroster
- White Side Wall Tires
- Front & Rear Mats
- Body Side Moldings

MID-SIZE GROUP

Buick Century Custom	$10,545	$.0188	$5,200	23	32
Chevrolet Celebrity	$ 9,781	$.0188	$4,800	23	32
Chrysler LeBaron GTS	$10,347	$.0190	$5,000	23	26
Dodge 600	$ 9,874	$.0181	$4,800	23	26
Dodge Lancer	$10,112	$.0180	$4,900	23	26
* Ford Taurus	$ 9,953	$.0179	$5,200	24	28
* Mercury Sable GS	$10,746	$.0179	$5,500	24	28
Oldsmobile Cutlass Ciera LS	$10,484	$.0188	$5,100	23	32
Plymouth Caravelle	$ 9,338	$.0181	$4,600	23	26
Pontiac 6000	$10,116	$.0188	$5,000	23	32

* Guaranteed resale value programs were available in 1986. We believe these programs will be continued in 1987.

Mid-Size Recommended Equipment

- Four-Cylinder Engine
- Automatic Transmission
- Power Steering
- Power Brakes
- AM/FM Stereo Radio
- Dual Mirrors
- Air Conditioning
- Tinted Glass Windows
- Cruise Control
- Tilt Steering Wheel
- Electric Rear Window Defroster
- Front & Rear mats
- White Sidewall Tires
- Body Side Moldings

FUNCTIONAL COMPACT GROUP

Buick Skylark Custom	$10,181	$.0159	$5,100	24	32
* Dodge Aries LE	$ 8,607	$.0160	$4,200	24	29
* Ford Tempo GL	$ 8,509	$.0162	$4,200	25	29
* Mercury Topaz GS	$ 8,810	$.0162	$4,350	25	29
Oldsmobile Calais	$ 9,923	$.0159	$5,000	24	32
* Plymouth Reliant Le	$ 8,607	$.0160	$4,200	24	29
Pontiac Grand AM	$ 9,531	$.0169	$5,000	24	32

* Guaranteed resale value programs were available in 1986. We believe these programs will be continued in 1987.

Functional Recommended Equipment

- Four-Cylinder Engine
- Automatic Transmission
- Power Steering
- Power Brakes
- AM/FM Stereo Radio
- Dual Mirrors
- Air Conditioning
- Tinted Glass Windows
- Electric Rear Window Defroster
- Front & Rear Mats
- Body Side Moldings

EFFICIENCY SUB-COMPACT GROUP

AMC Alliance L	$7,655	$.0159	$3,300	25	28
Chevrolet Cavalier	$8,116	$.0147	$3,700	24	31
* Dodge Shadow	$8,200	$0.153	$3,700	24	28
** Ford Escort	$7,236	$.0159	$3,200	25	30
** Mercury Lynx	$7,689	$.0159	$3,300	25	31
* Plymouth Sundance	$8,200	$.0153	$3,700	24	28

* Be aware of significant design change for 1987.

** Guaranteed resale value programs were available in 1986. We believe these programs will be continued in 1987.

Efficiency Recommended Equipment

- Four-Cylinder Engine
- Automatic Transmission
- Power Steering
- AM Radio
- Dual Mirrors
- Power Brakes
- Air Conditioning
- Tinted Glass Windows
- Electric Rear Window Defroster
- Front & Rear Mats
- Body Side Moldings

HERTZ/U.S. FLEET LEASING

After noting that selection of appropriate vehicles is the first step in controlling fleet costs, the nation's seventh-largest lessor points out two other key factors: cost, and the ultimate resale value of each vehicle. Since 60 percent of the firm's clients are in the mid-size car category — the "best business compromise between economy and roominess" — Hertz/USFL recommends that primary consideration be given to these six vehicles: Ford Taurus, Dodge Aries/Plymouth Reliant, Chevrolet Celebrity, Pontiac 6000, Mercury Sable, and Plymouth Caravelle. The lessor's other recommendations, by size categories, are:

Subcompact sedans: The only domestic sedans in this category remain the Chevrolet Chevette and Pontiac 1000.

Compact sedans: The clear leaders in this category are the Dodge Omni and Plymouth Horizon "America" models, followed by the new Dodge Shadow and Plymouth Sundance.

Specialty coupes: The most cost-effective specialty coupes are projected to be the compact Oldsmobile Calais, Pontiac Grand Am, and Buick Somerset.

Mid-size sedans: The Ford Taurus is the top-rated mid-size sedan for '87. The Dodge Aries, Plymouth Reliant, and Chevrolet Celebrity follow closely behind.

Large sedans: The RWD Chevrolet Caprice and Caprice Classic, probably going into their last year, are the clear leaders in this class. The FWD Oldsmobile Delta 88 Royale and Buick LeSabre Custom come next.

Station wagons: The Chevrolet Cavalier station wagon is the top-rated small wagon for '87; the Ford Escort and Mercury Lynx are next. The year's top-rated mid-size wagon is the Chevrolet Celebrity. It leads the Ford Taurus by a small margin. The leader in the conventional, large station wagon group is the Ford LTD Crown Victoria, followed by the Olds Custom Cruiser and Chevrolet Caprice Classic.

Personal luxury coupes: In the lessor's first formal analysis of this class of cars, the Olds Toronado Brougham appears to be the best value, by a considerable margin.

Mid-size luxury sedans: The Chrysler New Yorker, with the only four-cylinder in this class, is by the far the most cost-effective.

Large luxury sedans: The Oldsmobile 98 Regency Brougham and Buick Electra Park Avenue, with six-cylinder engines and lower price tags, appear to be the best lease values in this class.

RECOMMENDATIONS

LEND LEASE

Though the '87 model year will see few "truly new" product offerings, Lend Lease recommends that its fleet clients be aware of new federal passive restraint regulations, the impact of lower fuel prices, and changing CAFE standards. Says the country's eighth-largest lessor to its present and potential customers: "Your vehicle needs are unique and individual, and a 'one size fits all' recommendation approach ignores that fundamental fact. We sincerely welcome the opportunity to tailor a specific plan which fully addresses your situation."

McCULLAGH

Cautioning against generalization in vehicle selection because there's no such thing as a "typical fleet" or a "typical fleet vehicle," McCullagh nonetheless has used vehicle *application* to group '87 models into three functional categories: Standard, management, and executive. Within each category, the nation's fifth-largest lessor notes that a number of options still exist. "You should apply the values most important to the objective your company intends to achieve by providing the vehicle," McCullagh says. "Such values might be acquisition costs, fuel economy, passenger capacity, image, trunk space, etc." Within each of these three categories, then, the lessor has grouped vehicles according to overall comparability — how the cars line up against each other vis-a-vis overall dimensions, price, image, and the like.

STANDARD VEHICLES

These vehicles typically serve a marketing function (sales/service). Recommended Replacement: 36 months/50,000 miles. Recommended Equipment: Air Conditioning, Automatic Transmission, Body Side Mouldings, Front & Rear Guards, Power Brakes, Power Steering, AM/FM Radio, Rear Defroster, Speed Control, Steel Belted Radial Tires, Tinted Glass, Wheel Covers.

4-Door	2-Door
Standard — Class 1	
Chevrolet Caprice	
Dodge Diplomat	
Plymouth Gran Fury	
Ford LTD Crown Victoria "S"	
Standard — Class 2	
Mercury Sable GS	
Ford Taurus	
	Buick Regal
	Chevrolet Monte Carlo
	Ford Thunderbird
	Mercury Cougar
Oldsmobile Cutlass Supreme	Oldsmobile Cutlass Supreme
Oldsmobile Cutlass Ciera LS	Oldsmobile Cutlass Ciera LS
Buick Century Custom	Buick Century Custom
	Pontiac Grand Prix
Standard — Class 3	
Ford Taurus	
Pontiac 6000	Pontiac 6000
Chevrolet Celebrity	Chevrolet Celebrity
Plymouth Caravelle	
Dodge 600	
Chrysler LeBaron GTS	
Dodge Lancer	
Oldsmobile Calais	Oldsmobile Calais
Buick Skylark	Buick Somerset
Pontiac Grand Am	Pontiac Grand Am
Chrysler LeBaron	Chrysler LeBaron
Standard — Class 4	
	Ford Mustang
	Mercury Capri
Ford Tempo L	Ford Tempo
Mercury Topaz	Mercury Topaz
Dodge Aries	Dodge Aries
Plymouth Reliant	Plymouth Reliant
Buick Skyhawk	Buick Skyhawk
Chevrolet Cavalier	Chevrolet Cavalier
Oldsmobile Firenza	Oldsmobile Firenza
Pontiac Sunbird	Pontiac Sunbird
Standard — Class 5	
AMC Alliance	AMC Alliance
Chevrolet Chevette	Chevrolet Chevette
Dodge Omni	
Dodge Shadow Hatchback	Dodge Shadow Hatchback
Ford Escort	Ford Escort
Mercury Lynx	Mercury Lynx
Plymouth Horizon	
Plymouth Sundance Hatchback	Plymouth Sundance Hatchback
Pontiac 1000	Pontiac 1000
Chevrolet Nova CL #1	

MANAGEMENT VEHICLES

The vehicles in this class are recommended for functions where operating costs are balanced by other, less tangible requirements. Recommended Replacement: 24 months/45,000 miles. Recommended Equipment: Air Conditioning, Automatic Transmission, Body Side Moldings, Front & Rear Guards, Power Brakes, Power Door Locks, Power Steering, Power Windows, Rear Defroster, AM/FM Stereo, Speed Control, Steel Belted Radial Tires, Tilt Wheel, Tinted Glass, Wheel Covers.

4-Door	2-Door
Management — Class 1	
Buick LeSabre	Buick LeSabre
Chevrolet Caprice Classic	Chevrolet Caprice Classic
Ford LTD Crown Victoria	Ford LTD Crown Victoria
Oldsmobile Delta 88	Oldsmobile Delta 88
Pontiac Bonneville	
Management — Class 2	
Mercury Sable LS	Mercury Sable LS
	Buick Regal Limited
Chrysler New Yorker	
	Ford Thunderbird Elan
	Mercury Cougar LS
Oldsmobile Cutlass Supreme	Oldsmobile Cutlass Supreme
	Pontiac Grand Prix LE
	Chyrsler LeBaron Coupe

RECOMMENDATIONS

McCullagh, *continued*

Management — Class 3	
Buick Century Ltd	Buick Century Ltd
LeBaron GTS Hatchback	LeBaron GTS Hatchback
Olds Ciera Brougham	Olds Ciera Brougham
Pontiac 6000 LE	Pontiac 6000 LE
Mercury Sable GS	Mercury Sable GS

EXECUTIVE VEHICLES

Where luxury, comfort and prestige are the primary considerations, these cars are recommended. Recommended Replacement: 24 months/25,000 miles. Recommended Equipment: Air Conditioning, Dual Remote Mirrors, Power Brakes, Power Door Locks, Power Seats, Power Steering, Power Windows, Rear Defroster, Speed Control, Steel Belted Radial Tires, AM/FM Stereo, Tilt Wheel, Tinted Glass.

4-Door	2-Door
Executive — Class 1	
Cadillac Seville	
Lincoln Continental	
Cadillac Fleetwood	Cadillac Fleetwood
Cadillac Fleetwood Brougham	Cadillac Fleetwood Brougham
Executive — Class 2	
	Cadillac Eldorado
	Cadillac Mark VII
Executive — Class 3	
Cadillac Sedan Deville	Cadillac Coupe Deville
Lincoln Town Car	
Executive — Class 4	
Buick Electra	Buick Electra
Buick Electra Park Avenue	Buick Electra Park Avenue
Chrysler 5th Avenue	
Mercury Grand Marquis	Mercury Grand Marquis
Oldsmobile 98 Regency	Oldsmobile 98 Regency
Oldsmobile 98 Regency Brougham	Oldsmobile 98 Regency Brougham
Executive — Class 5	
	Buick Riviera
	Buick Riviera T Type
	Oldsmobile Toronado Brougham

PH&H

For '87, PH&H has reshaped its approach to new-model recommendations, "personalizing" the process by developing a Vehicle Preference Questionnaire that allows PH&H to recommend vehicles tailored to a company's individual fleet needs. Previously, the nation's second-largest lessor had clustered recommended fleet cars into groups exhibiting special characteristics such as "best image," "best fuel economy," etc. Explaining the need for its new approach, PH&H cites a "complex combination" of factors making across-the-board recommendations difficult, including low interest rates (which adversely affect the used-car market); rising prices traceable to the weakening dollar, and continuing cost penalties for six-cylinder cars. PH&H has, however, identified the "best (new) vehicles available for a variety of fleet applications." In alphabetical order, these vehicles are:

MODEL/MAKE

6000 Sedan/Pontiac
6000 Wagon/Pontiac
Aerostar Van/Ford
Aries Sedan/Dodge
Astro CS Van/Chevrolet
Beretta Coupe/Chevrolet
Bonneville Sedan/Pontiac
Calais Sedan/Oldsmobile
Caprice Classic Sedan/Chevrolet
Caravan SE Van/Dodge
Caravelle Sedan/Plymouth
Cavalier CS Sedan/Chevrolet
Celebrity Wagon/Chevrolet
Celebrity CL Sedan/Chevrolet
Century Custom Sedan/Buick
Corsica Sedan/Chevrolet
Cutlass Ciera Sedan/Oldsmobile
Delta 88 Royale Sedan/Oldsmobile
Grand Am Sedan/Pontiac
LTD Crown Victoria S Sedan/Ford
Lancer Hatchback/Chrysler
LeSabre Custom Sedan/Buick
LeBaron GTS Hatchback/Chrysler
LeBaron GTC Coupe/Chrysler
Reliant LE Wagon/Plymouth
Reliant Sedan/Plymouth
Sable GS Sedan/Mercury
Shadow Hatchback/Dodge
Skylark Custom Sedan/Buick
Sunbird Sedan/Pontiac
Sundance Hatchback/Plymouth
Taurus L Sedan/Ford
Taurus L Wagon/Ford
Tempo GL Sedan/Ford
Topaz GS Sedan/Mercury
Voyager SE Van/Plymouth

WHEELS

Once again, the nation's fourth-largest lessor suggests a two-step selection process: establishing basic guidelines along which the fleet will be structured, then lining up appropriate makes, models, and accessories for the fleet category. Wheels has selected "benchmark" vehicles for each of its five basic categories, cautioning, however, than any benchmark selections should be based on a client's *specific* needs. Prices are estimated on dealer-invoice and are based on four-door models (except where only two-door models are available).

LEVEL 1

Special Fleet for Low Annual Mileage/Urban Application

PRIORITY: Low Cost
BENCHMARK: Ford Escort L.

FORD ESCORT L	$ 7975
DODGE OMNI	$ 5898
PLYMOUTH HORIZON	$ 5898
MERCURY LYNX CS	$ 8111

Wheels, *continued*

UPGRADES

FORD ESCORT LX	$ 8420
DODGE SHADOW	$ 8500
PLYMOUTH SUNDANCE	$ 8500
FORD MUSTANG LX*	$ 8545
CHEVROLET NOVA	$ 8677
DODGE DAYTONA*	$10062
CHEVROLET CAMARO*	$10303
PONTIAC FIREBIRD*	$11027

Basic Equipment: 4-Cyl. Engine, Air Conditioning, AM/FM Stereo, Automatic Transmission, Body Side Molding, Full Wheel Covers, Left Hand Remote Mirror, Power Brakes, Power Steering, Tinted Glass, Whitewall Tires.

Optional Equipment: Rear Defroster, Tilt Wheel.

* Available as a 2-Door only

LEVEL 2

Basic Fleet for Standard Applications

PRIORITY: Low Cost
BENCHMARK: Chevrolet Cavalier CS

CHEVROLET CAVALIER CS	$ 8811
PONTIAC SUNBIRD	$ 9000
FORD TEMPO GL	$ 9205
DODGE ARIES LE	$ 9295
PLYMOUTH RELIANT LE	$ 9295
MERCURY TOPAZ GS	$ 9333

UPGRADES

BUICK SKYHAWK CUSTOM	$ 9466
OLDSMOBILE FIRENZA	$ 9471
FORD TEMPO LX	$ 9834
PONTIAC GRAND AM	$ 9911
OLDSMOBILE CALAIS	$10406
CHRYSLER LE BARON	$10500
MERCURY TOPAZ LS	$10511
BUICK SKYLARK	$10679

Basic Equipment: 4-Cyl. Engine, Air Conditioning, AM/FM Stereo, Automatic Transmission, Body Side Molding, Full Wheel Covers, Left Hand Remote Mirror, Power Brakes, Power Steering, Tinted Glass, Whitewall Tires.

Optional Equipment: Cruise Control, Power Door Locks, Rear Defroster, Tilt Wheel.

LEVEL 3

Basic Fleet for Standard Applications

PRIORITY: Reasonable Cost and Driver Acceptance.
BENCHMARK: Chevrolet Celebrity

CHEVROLET CELEBRITY	$10045
PLYMOUTH CARAVELLE SE	$10259
FORD TAURUS L	$10264
PONTIAC 6000	$10342
DODGE LANCER	$10364
DODGE 600 SE	$10457

UPGRADES

CHRYSLER LE BARON GTS	$10664
PONTIAC 6000 LE	$10770
OLDSMOBILE CIERA	$10812
BUICK CENTURY CUSTOM	$10842
MERCURY SABLE GS	$11079

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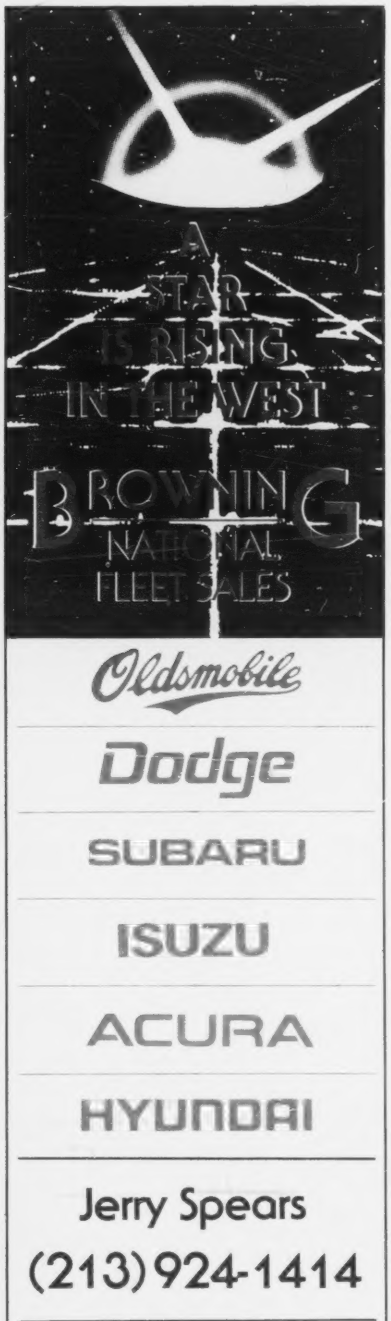

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RECOMMENDATIONS

Wheels, *continued*

Basic Equipment: 4-Cyl. Engine (or 6-Cyl. If Base), AM/FM Stereo, Air Conditioning, Automatic Transmission, Body Side Molding, Full Wheel Covers, Left Hand Remote Mirror, Power Brakes, Power Steering, Tinted Glass, Whitewall Tires.

Optional Equipment: Cruise Control, Dual Remote Mirrors, Light Group, Power Door Locks, Power Seat, Power Windows, Rear Defroster, Split Front Seat, Tilt Steering Wheel.

LEVEL 4

Basic Fleet for Standard Applications

PRIORITY: Driver Acceptance and Image
BENCHMARK: Oldsmobile Cutlass Supreme Brougham

OLDSMOBILE CUTLASS SUPREME BROUGHAM	$12183
PONTIAC GRAND PRIX LE *	$11705
FORD THUNDERBIRD *	$11712
FORD TAURUS GL	$11731
MERCURY SABLE GS	$11831
MERCURY COUGAR GS *	$11970
DODGE DIPLOMAT SE	$11973
BUICK REGAL LIMITED *	$12033
UPGRADES	
CHEVROLET CAPRICE CLASSIC	$12240
PONTIAC BONNEVILLE	$12252
BUICK LE SABRE CUSTOM	$12554
OLDSMOBILE DELTA 88	$12557
FORD CROWN VICTORIA	$13083
CHRYSLER NEW YORKER	$13830
MERCURY GRAND MARQUIS	$13903

Basic Equipment: 6-Cyl. Engine (Or 8-Cyl. If Base), Air Conditioning, AM/FM Stereo, Automatic Transmission, Body Side Molding, Cruise Control, Left Hand Remote Mirror, Light Group, Power Brakes, Power Steering, Rear Defroster, Tinted Glass, Whitewall Tires.

Optional Equipment: Dual Remote Mirrors, Heavy Duty Suspension, Power Door Locks, Power Seat, Power Windows, Premium Wheel Covers, Small 8-Cyl. Engine and Overdrive Transmission (included in Caprice, Crown Victoria, & Grand Marquis), Split Front Seat, Tilt Steering Wheel.

* Available as a 2-Door only

LEVEL 5

Special Fleet for Executive Applications

PRIORITY: Driver Image and Prestige
BENCHMARK: Buick Park Avenue

BUICK PARK AVENUE	$17105
OLDSMOBILE DELTA 88 BROUGHAM	$12348
BUICK LE SABRE LIMITED	$12689
MERCURY GRAND MARQUIS LS	$15272
CHRYSLER FIFTH AVENUE	$15555
OLDSMOBILE 98 REGENCY BROUGHAM	$17018
UPGRADES	
OLDSMOBILE TORONADO BROUGHAM *	$19167
BUICK RIVIERA *	$19648
LINCOLN TOWN CAR	$20056
CADILLAC DE VILLE	$20210
CADILLAC FLEETWOOD BROUGHAM	$20971
LINCOLN MARK VII *	$21329
CADILLAC FLEETWOOD	$23292
LINCOLN CONTINENTAL	$23367
CADILLAC ELDORADO *	$23386
CADILLAC SEVILLE	$25694

Basic Equipment: 6-Cyl. or 8-Cyl. Engine, Air Conditioning, AM/FM Stereo/Tape, Automatic Transmission, Body Side Molding, Bumper Guards, Cruise Control, Dual Power Seats, Dual Remote Mirrors, Light & Accessory Groups, Power Antenna, Power Brakes, Power Locks, Power Steering, Power Trunk, Power Windows, Premium Wheels Covers, Rear Defroster, Split Front Seat, Tilt Steering Wheel, Tinted Glass, Whitewall Tires.

* Available as a 2-Door only

CELLULAR PHONES

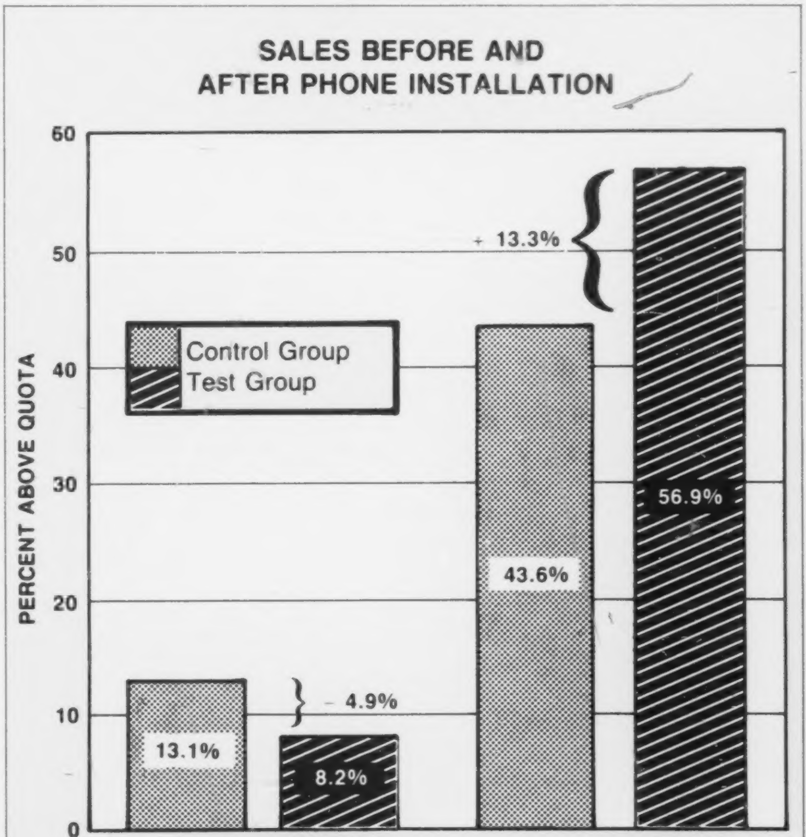
Is there a direct relationship between the use of cellular car telephones and the effectiveness of company salespeople? That was the subject of an independent, seven-month long study that's just been released.

Sales Productivity and Cellular Phones

Since the first network was made available in Chicago three years ago, cellular telecommunications systems have now been installed in no fewer than 100 metropolitan markets, where they currently serve more than a quarter of a million U.S. businesspeople. Despite such growth, acceptance of this advanced technology has been far from unqualified. Citing slackened demand, for example, daily-rental leaders Hertz and Avis slashed the number of phone-equipped cars in their fleets not long ago. And a recent nationwide marketing survey showed that more than half of 300 salespeople still consider cellular phones luxuries or perks rather than sales tools.

That perception could begin to change, however, with the release of a new, independent study showing that "cellular phones dramatically enhance sales-force productivity, and substantially increase sales revenues of American business." Commissioned by AT&T, the controlled study followed two groups of sales representatives — one provided with cellular telephones, the other without the phones. At the end of a seven-month trial period, revenues generated by sales representatives with phones exceeded the performance of their counterparts by 9 percent, or $50,000 in total sales.

By all accounts, an important advantage of cellular phones is their ability to capitalize on a salesperson's unproductive driving time. The time spent driving to and from meetings is necessary to facilitate face-to-face contact with potential clients, of course. But without benefit of a cellular phone, driving time is unproductive because the salesperson is out of touch with clients as well as the office. Depending on the amount of time spent driving, a significant portion of a salesperson's salary may be dedicat-



ed to such unproductive time behind the wheel of a car.

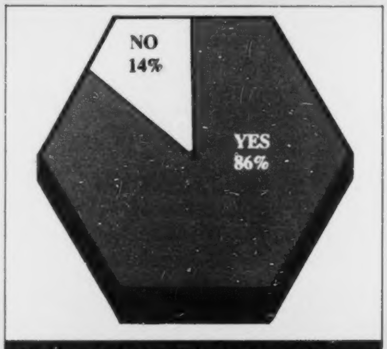
The value of cellular phones to firms with large sales forces can best be understood by first calculating the total cost of a typical sales professional. A mid-level salesperson, who is paid a salary of $40,000 per year, is actually worth approximately $125,000 to his company in salary, fringe benefits, overhead, company-reimbursed business expenses, and employee contribution to profit. To ascertain the cost of unproductive driving time, sales personnel in the independent study were asked to keep a daily log of all their work-related activities for one five-day work week. On average, it was found that these salespeople spent 6.7 hours per week on the road. Based on typical company expenditures for such salespeople, the cost of this unproductive drive time would be $21,000 per year.

An evaluation of cellular phone impact on the productivity of sales personnel found three major areas where such phones served to improve productivity. First, by using the phones an average of 14 minutes per day, salespeople were able to convert one hour and ten minutes per week of unproductive drive time into productive work time. Second, by using the phones to verify appointments, salespeople were able to avoid wasting time traveling to and from meetings that were cancelled or rescheduled at the last minute. Finally, without a car phone, sales personnel often must rely on roadside pay phones. But it's estimated that the average time required to locate a phone, wait for it to become free, and return to the highway, is about 20 minutes. If a salesperson makes only one such trip per day, the total travel time wasted is about one hour and 40 minutes per week. Such wasted time would be eliminated if the salesperson's car were equipped with a cellular phone.

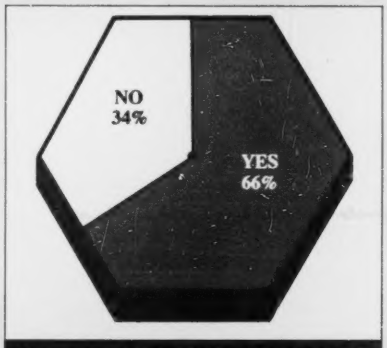
Considering these three areas, access to a mobile phone can eliminate 183 hours per year of unproductive work time per sales representative. At an average usage rate of 14 minutes per day, then, overall potential productivity savings associated with cellular phones is about $11,400 per sales employee per year — or an average of $950 per month per salesperson.

By allowing sales professionals to spend more time on productive work activities, the study found, cellular phones can contribute to achievement of a sales organization's primary objective: selling the firm's products and services to potential clients. The impact of increasing the salesperson's productive workday on actual sales performance was determined in the study by analyzing

Polling The Users Of Cellular Phones



Has your productivity increased since aquiring the phone?



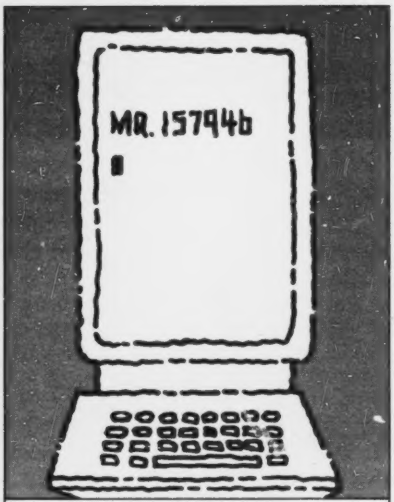
Has your productivity increased as much as you thought it would?

While 86 percent of users believe their productivity has increased since acquiring cellular phones, only 66 percent think productivity has increased as much as they thought it would.

That was a key finding of the first comprehensive, industry-wide survey of subscribers from a number of wireline and non-wireline cellular systems. The survey was conducted recently by *Cellular Marketing* magazine.

Assessing responses from nearly 1,000 cellular users — most 30 to 40 years old, their annual incomes ranging from $30,000 to $100,000 — the survey also found that:

- Sixty-five percent of the respondents have been cellular subscribers for less than one year; 34 percent have been using cellular phones for one to two years, and approximately one percent have subscribed for more than two years.
- A significant number — 76 percent — purchased their phones; only 24 percent leased. Cellular system operators were the most popular source of acquisition (56 percent); two-way radio dealers came in second at 19 percent.
- Asked to rate overall quality of their cellular phone, 28 percent of respondents said quality was excellent; 49 percent said it was good; 18 percent said fair, and 5 percent thought it was poor.
- Asked if their unit had required servicing, 53 percent said yes, while 47 percent answered negatively. Seventy-seven percent thought the quality of the servicing was either excellent or good; 15 percent rated it fair, and 8 percent found it poor.



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sales data for the two groups of sales representatives — the first provided with cellular phones during the trial period, the second group without the phones. Members of both groups worked the same regions, sold the same products, and had similar levels of sales experience.

During the seven-month trial period, it was found that sales of the group with phones were significantly higher than sales generated by their counterparts. Overall, revenues generated by the group of salespeople with phones surpassed the group without phones by over 9 percent during the study period. The actual value of the additional sales was many times larger than the $11,400 worth of productivity gains projected for each sales representative.

In assessing the impact of cellular phones on performance, the sales representatives participating in the study found that the phones enhanced their ability to respond quickly to client requests and promoted a professional image. Prior to installation, it could take hours or even an entire day before a sales rep was notified of — and responded to — a client's call received by the office secretary. Phone "tag" between the salesperson and their peers (clients, installation/service personnel, office management) was virtually eliminated with the use of cellular phones. By allowing for more efficient use of their office time to produce necessary paperwork rather than making phone calls, trial participants could spend more time with customers in the field.

"My sales are up because I am free to make more customer visits," affirmed one participant in the study. "The cellular phone allows me to leave the office without worrying about having to wait for customer call-backs."

"Extremely useful in returning calls while on the road," concluded another participant. "Also saves time by letting customers know if you will be early or late for appointments..." AF

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Fleet Car Registrations

'86 vs. '85 Model Year: The First Six Months

MODEL	1985 Model Year Total	1985 1st 6 Mos MYTD	1986 1st 6 Mos MYTD
SUBCOMPACT			
Alliance	20,857	17,277	7,639
Caprice	1,867	1,114	1,217
Cavalier	66,460	35,227	44,025
Charger	2,453	1,438	1,207
Chevette	23,445	11,501	16,828
Colt	8,051	5,190	7,846
Encore	8,233	7,239	402
Escort	63,241	37,962	37,269
EXP	2,518	1,597	58
Fiero	8,870	2,492	5,059
Firenza	8,359	3,845	4,184
Horizon	11,338	7,315	8,091
Lynx	15,892	8,573	8,404
Mustang	26,068	[illegible]	15,324
Nova	1,753	0	9,564
Omni	9,246	[illegible]	6,674
Skyhawk	9,233	[illegible]	5,616
Sunbird	16,011	7,250	8,009
T-1000	4,677	[illegible]	3,539
Turismo	2,406	[illegible]	1,470
Total Subcompact	**310,978**	**175,559**	**193,425**
COMPACT			
Aries	35,766	21,859	19,130
Calais	17,101	[illegible]	14,152
Camaro	28,946	12,652	14,839
Citation	21,688	12,703	443
Conquest/Vista	1,971	[illegible]	1,642
Daytona	2,825	[illegible]	1,519
Eagle	2,652	[illegible]	1,282
Firebird	12,765	[illegible]	7,395
Golf	5,764	1,974	3,611
Grand Am	18,063	5,801	26,095
Lancer	9,126	4,245	7,013
LeBaron GTS	9,573	3,731	8,503
Laser	3,313	1,863	1,420
Omega	182	182	0
Phoenix	269	269	0
Reliant	43,685	23,325	22,834
Skylark	26,281	15,197	350
Somerset Regal	11,490	3,915	9,168
Tempo	73,069	46,490	32,538
Topaz	19,326	13,523	6,303
Total Compact	**343,855**	**182,445**	**178,241**

MODEL	1985 Model Year Total	1985 1st 6 Mos MYTD	1986 1st 6 Mos MYTD
INTERMEDIATE			
600	12,319	[illegible]	8,270
6000	43,402	19,546	30,118
Bonneville	14,814	7,934	5,223
Caravelle	10,202	6,964	7,174
Celebrity	107,244	50,416	70,249
Century	45,767	24,817	23,865
Cougar	23,841	11,940	10,405
Cutlass Ciera	67,092	29,609	38,106
Cutlass Supreme	48,359	25,734	17,969
"E" Class/NY	4,688	2,537	2,452
Grand Prix	9,968	5,417	3,477
LeBaron	11,362	7,369	6,380
LTD	87,133	42,733	18,739
Marquis	21,998	14,915	9,076
Monte Carlo	14,871	7,529	3,319
Regal	25,218	14,871	6,647
Sable	0	0	5,178
Taurus	0	0	10,461
Thunderbird	40,014	[illegible]	17,512
Total Intermediate	**588,292**	**301,153**	**299,625**
STANDARD			
Delta 88	27,781	[illegible]	9,019
Diplomat	16,707	[illegible]	5,028
Fifth Avenue	18,273	[illegible]	10,131
Gran Fury	8,616	[illegible]	2,087
Grand Marquis	13,659	[illegible]	5,247
Impala/Caprice	52,899	[illegible]	26,329
LeSabre	16,468	[illegible]	3,941
Crown Victoria	45,159	[illegible]	16,040
Parisienne	5,669	[illegible]	4,410
Total Standard	**205,231**	**103,420**	**91,232**
LUXURY			
Cimarron	1,696	[illegible]	654
Continental	6,691	[illegible]	1,337
Corvette	6,234	[illegible]	3,872
DeVille	18,037	[illegible]	17,755
Eldorado	8,955	[illegible]	2,218
Electra	11,339	[illegible]	16,390
Fleetwood	8,714	4,144	2,603
Mark VII	4,793	[illegible]	1,335
Merkur XR4Ti	1,963	[illegible]	211
98 Regency	16,072	8,171	29,440
Riviera	9,546	6,307	1,413
Seville	4,544	2,348	1,282
Toronado	4,191	1,970	969
Town Car	44,495	26,271	25,682
Total Luxury	**147,270**	**75,691**	**105,461**
Total Domestic	**1,595,626**	**838,268**	**867,984**

According to a new study by NAFA, the cost of running fleet vehicles is on a downward trend. The main reasons: lower prices for fuel, oil, and tires, and a decrease in lease-company service charges.

Net Expenses Continue to Decline

Ninety-four fleets, responsible for 105,845 vehicles, responded to NAFA's 1985 Operating Expense Survey. The survey polls fleets regarding operating, standing, and incidental expenses incurred from the daily operation of their vehicles.

Survey data is broken down into five categories: compact cars, mid-size cars, large cars, composite statistics, and Canadian fleet expenses.

The results are based on NAFA's Recommended Classification of Automobile Expenses, which is:

Operating Expenses: All costs directly related to running a vehicle — fuel, oil, tires, and tire repair, and normal maintenance. These costs are computed in cents per mile per car.

Incidental Expenses: Costs of licenses and taxes, accident repairs (minus recoveries), parking and tolls, and washing.

Standing Expenses: Interest paid on company-owned vehicles, leasing service charges, depreciation reserve, insurance, and reconditioning costs. Deducted from this total are any depreciation adjustments that must be made after a vehicle is sold.

Net Expenses: Total of incidental and standing expenses minus any personal use or extra equipment charges.

The survey used the following definitions for vehicle classification:

Compact cars: vehicles with a wheelbase between 100 and 104 inches and a curb weight between 2,200 pounds and 2,599 pounds.

Mid-size cars: vehicles with a wheelbase between 105 and 108 inches and a curb weight between 2,600 and 3,199 pounds.

Large cars: vehicles with a wheelbase greater than 108 inches and a curb weight greater than 3,200 pounds.

Compact Cars

Eight fleets, responsible for 5,196 compact cars, responded to the survey. They had a total of 6,039 vehicles in their fleets.

Seventy-five percent of the cars in this category are leased; 21 percent are company-owned, and four percent are employee-owned. Eight-three percent of the cars have four-cylinder engines; 16 percent have six-cylinder engines, and one percent have eight-cylinder engines.

These cars are driven an average of 2,198 miles a month, with 1,868 miles being for business and 330 miles for personal use. They are kept in service an average of 29.25 months or approximately 64,300 miles.

Half the responding fleets use a 50-month depreciation period for these cars. Two use 36 months; one uses 48 months, and one uses 50,000 miles.

Ninety-five percent (4,936) of the compact cars have air conditioning, automatic transmissions, power steering, and power brakes.

Operating expenses: Average fuel cost per mile per car in this category was 4.75 cents. Oil cost an average of .21 cents per mile per car. Tires and tire repair cost an average of 0.99 cents per mile per car. Maintenance and repair cost an average of 1.49 cents per mile per car. Total operating expenses for compact cars averaged 7.44 cents per mile per car, up from last year's 7.08 cents figure

Incidental expenses: Licenses and taxes cost an average of $11.97 per car per month. Accident repairs minus recoveries averaged $7.57 per car per month. Washing averaged $6.91; parking and tolls $5.09, and miscellaneous incidental expenses nine cents. This totals an average monthly incidental expense cost of $31.63 per car.

Standing expenses: Interest paid on company-owned cars average three cents per car per month. Leasing company service charges averaged $67.75 per car per month; depreciation reserve $180.26; depreciation adjustment $5.53; reconditioning $2.00, and insurance $25.82. This totals an average monthly standing expense of $270.83 per car per month.

Net expenses: With average incidental expenses of $31.63, average standing expenses of $270.83, and average credits of $35.07, the average net expense for each vehicle in the compact car category is $267.39.

Mid-Size Cars

Eighteen fleets, responsible for 9,371 mid-size cars, responded to the survey. The respondents had a total of 21,339 vehicles in their fleets.

Ninety-five percent of the cars in this category are leased; three percent are company-owned, and two percent are employee-owned. Fifty-six percent of these cars have four-cylinder engines; 38 percent have six-cylinder engines, and six percent have eight-cylinder engines.

These cars are driven an average of 2,053 miles a month with 1,740 miles being for business and 313 miles for personal use. They are kept in service an average of 25 months or approximately 50,000 miles.

Five fleets use a 50-month depreciation period for their vehicles. Four use 45 months; three use 44 months; three use 36 months; one uses 40 months, and one uses 24 months.

All of the cars in this category are equipped with air conditioning, automatic transmission, power steering, and power brakes.

Operating expenses: Average fuel cost per mile per car in the mid-size car category was 5.65 cents. Oil cost an average of .15 cents per mile per car; tires and tire repair .32 cents, and maintenance and repairs, 1.78 cents. Thus, total operating costs for mid-size cars was 7.90 cents per mile per car. This is a decrease from last year's total of 8.37 cents.

Incidental expenses: Licenses and taxes cost an average of $15.80 per car per month. Accident repairs minus any recoveries averaged $14.08 per car per month; washing $5.88; parking and tolls $15.82, and miscellaneous incidental expenses $4.71. This totals an average month-

Used Sales Drop While Costs Rise

The nation's motorists in 1985 bought some 15,931,000 used cars, each averaging 4.59 years old, having run 45,270 miles, and costing $5,431, according to a new study released by the Hertz Corp. The figures compare with 16,805,000 sold in '84, averaging 4.5 years, with 45,439 miles and costing $5,406. By contrast, a typical unit in 1979 was just 2.86 years old, had 29,090 miles, and cost $3,602.

Last year's used-car sales were down 5.2 percent from '84, average age of units sold in '85 was about 2 percent (or five weeks) more, mileage was 0.4 percent lower, and purchase price was ahead one-half percent. Overall used-car revenues slumped 4.7 percent to $86.5 billion from $90.8 billion the previous year.

Typical ownership and operating costs for used autos bought last year rose 7.9 percent to 25.07 cents a mile, from 23.22 cents in '84 for a five-year-old compact to be driven five more years at 10,000 miles annually, Hertz' new survey found. By contrast, a typical *new* '85 compact cost 47.64 cents to own and run the same mileage, up 4.3 percent from 45.67 cents in '84 (see "New Car Ownership & Operating Outlays Climb," April '86 *Automotive Fleet*).

The 1985 *new* car sales totaled 10,888,608 units at an estimated aggregate $110.7 billion against 10,118,000 vehicles aggregating $97.8 billion in '84. The average 1985 new car purchase price was $10,166, 87 percent above the typical $5,431 used-car outlay last year.

Annual sales of both new and used cars are a fraction of the 128,660,000 autos now on U.S. roads, Hertz said. Each car has about three owners during its lifetime. Some 45 percent of cars are still on the road 10 years after they're built, but by age 15 only 5 percent remain.

The '85 poll shows direct purchases accounting for 51 percent of all used cars sold — 29 percent from relatives, neighbors, friends, or business associates, 22 percent from strangers. New car dealers' used-car lots account for 37 percent of sales and independent used-car-only outlets, 12 percent.

Respondents to the Hertz poll said used units bought from new car dealers in '85 were younger than average (2.47 years old), had less mileage (32,530) but were costlier ($7,221). Those purchased from used car dealers averaged 4.98 years old, had run 45,873 miles, and cost $5,997. Direct buys from strangers averaged 5.93 years old, had run 53,132 miles, and cost $4,276, while buys from known individuals were 6.8 years old, had run 57,376 miles, but cost just $3,736.

Depending on vehicle age and mileage, typical 1985 purchase prices of "prior owned" compact models ranged from 21 percent less expensive for a year-old auto to 95 percent cheaper for a nine-year-old, compared to a new compact. Savings on owning and running them ran from 20 percent to 57 percent.

The Hertz figures are based on nationwide sample polls of used car buyers — from 1979 to 1985 — on surveys of retail buyers of its own rental and lease vehicles, annual sample polls of U.S. commuter, pleasure, and business travel, plus projections of industry and government statistics.

ly incidental cost of $56.29 per car.

Standing expenses: No companies reported paying interest on company-owned cars. Leasing company service charges averaged $82.62 per car per month; depreciation reserve $184.62 per car per month; depreciation adjustments $15.31; reconditioning $2.72, and insurance $31.70. Total standing expenses for mid-size cars were, therefore, $286.35.

Net expenses: With average incidental costs of $56.29, average standing costs of $286.35, and average credits of $36.95, the average net expense for each vehicle in the mid-size car category is $305.69.

Large Cars

Seven fleets, responsible for 904 large cars, responded to the survey. The respondents had a total of 3,818 vehicles in their fleets.

Sixty percent of the cars in this category are company-owned. Thirty-nine percent are leased and one percent are employee-owned. Seventy-one percent have six-cylinder engines; 16 percent have four-cylinder engines, and 13 percent have eight-cylinder engines.

These cars are driven an average of 1,874 miles each month with 1,451 miles being for business and 423 for personal use. They are kept in service an average of 40 months or 67,750 miles.

Four fleets use a 36-month depreciation schedule; two use 50 months, and one uses 60 months.

Ninety-seven percent of the large cars have air conditioning and automatic transmissions and 99 percent have power steering and power brakes.

Operating expenses: Average fuel cost per mile per car in this category was 7.42 cents. Oil cost an average of 0.37 cents per mile per car; tires and tire repair 1.01 cents, and maintenance and repair 6.63 cents. Thus, total operating expenses for large cars were 15.43 cents per mile per car.

Incidental expenses: Licenses and taxes averaged $16.00 per car per month. Accident repairs minus any recoveries averaged $4.16; washing $6.36; parking and tolls $20.75, and miscellaneous incidental expenses $4.00. This totals an average monthly incidental cost of $51.27.

Standing expenses: No fleets reported paying any interest on company-owned vehicles. Average leasing company service charge was $121.00 per car per month. Depreciation reserve averaged $231.08; depreciation adjustment, $4.00, and insurance $40.00. Thus, total standing expenses averaged $388.08.

Net expenses: With average incidental expenses of $51.27, average standing expenses of $388.08, and average credits of $185.00 per car per month, the large fleet category has an average net expense that totals out to $245.35 per month.

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Composite Statistics

The composite statistic category consists of those respondents who did not give numbers for a certain car class, but, rather, gave total fleet expenses.

Thirty-nine fleets, responsible for 51,595 compact, mid-size, and large vehicles, responded to the survey. Forty-nine percent of these cars are leased; 45 percent are company-owned, and six percent are employee-owned.

Fifty-five percent of these cars have four-cylinder engines. Forty percent have six-cylinder engines, and five percent have eight-cylinder engines.

These cars are driven an average of 2,233 miles a month with 1,878 being for business and 355 for personal use. They are kept in service an average of 29 months or 57,000 miles.

Nineteen fleets use a depreciation schedule of 50 months. Fifteen use 36 months; three use 48 months, and two use 60 months.

Ninety-two percent of these cars have air conditioning. Ninety percent have automatic transmissions; 92 percent have power steering, and 93 percent have power brakes.

Operating expenses: Average fuel cost per mile per car in this category was 6.56 cents. Oil cost an average of 0.36 cents per mile per car; tires and tire repair 0.48 cents, and maintenance and repairs 1.92 cents. Thus, total operating expenses were 9.32 cents per mile per car. This is an increase of 1.69 cents over last year's 7.63 cents per mile per car.

Incidental expenses: Licenses and taxes cost an average of $16.69 per car per month. Accident repairs minus any recoveries averaged $11.59; washing $5.55; parking and tolls $19.10, and miscellaneous incidental expenses $11.40. Total incidental expenses are, therefore, $64.33, an increase of $29.01 from last year. The largest increases were in parking and tolls, which more than doubled from last year's $7.46 figure, and miscellaneous expenses, which more than tripled from its previous $3.25.

Standing expenses: Interest on company-owned vehicles averaged $20.00 per car per month. Leasing company service charges averaged $46.25; depreciation reserve $117.60; depreciation adjustment $35.00; reconditioning $5.00, and insurance $32.03. This totals an average standing expense of $185.88.

Net expenses: With average monthly per car incidental expenses of $64.33, average standing expenses of $185.88, and average credits of $51.99, the average net expense of each vehicle in this category is $198.22 per month. AF

Compact Cars
Operating Expense Comparison
(Cents Per Mile)
1983-1985

	1983	1984	1985
Fuel	$.0517	$.0528	$.0475
Oil	.0017	.0014	.0021
Tire & Tire Repair	.0035	.0045	.0099
Repair & Maintenance	.0126	.0121	.0149
Total Operating Expenses	**$.0695**	**$.0708**	**$.0744**

Mid-Size Cars
Operating Expense Comparison
(Cents Per Mile)
1983-1985

	1983	1984	1985
Fuel	$.0616	$.0614	$.0565
Oil	.0016	.0018	.0015
Tires & Tire Repair	.0064	.0043	.0032
Repair & maintenance	.0169	.0162	.0178
Total Operating Expenses	**$.0865**	**$.0837**	**$.0790**

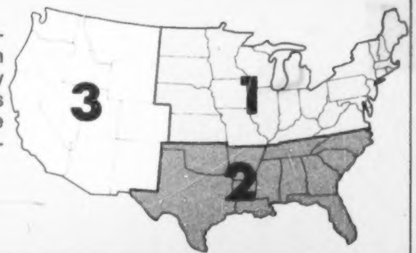
Large Cars
Operating Expense Comparison
(Cents Per Mile)
(1984-1985)

	1984	1985
Fuel	$ *	$.0742
Oil	*	.0037
Tires & Tire Repair	*	.0101
Repair & Maintenance	*	.0663
Total Operating Expenses	**$.0935**	**$.1543**

* Only total figure given last year — not broken down.

USED CARS

The following are average car prices ending July 9, 1986. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



Model	AVERAGE AUCTION PRICE Zone 1	Zone 2	Zone 3
83 AMC ALLIANCE			
Sdn 4 Dr L Series	2733	2761	2679
83 AMC CONCORD			
Sdn	2992	3022	2932
Sta Wgn	3160	3191	3096
83 BUICK SKYLARK			
Sdn Custom	3501	3537	3432
82 BUICK SKYLARK			
Sdn	2586	2884	2798
83 BUICK REGAL			
Sdn	4924	4973	4824
Cpe	5064	5115	4963
82 BUICK REGAL			
Turbo Cpe	4466	4511	4377
Cpe	4323	4366	4237
83 BUICK CENTURY			
Sdn Custom	4828	4876	4731
82 BUICK CENTURY			
Sdn Custom	4096	4137	4015
83 CADILLAC			
Cpe DeVille	8111	8192	7949
Sdn DeVille	8063	8146	7903
82 CADILLAC			
Cpe DeVille	6021	6623	6427
Sdn DeVille	6514	6579	6384
83 CHEVY			
Chvt Htchbk 4 Dr	2226	2247	2181
Camaro Cpe 8	5485	5541	5377
82 CHEVY			
Chvt Htchbk 4 Dr	1743	1760	1710
Camaro Cpe 8	4753	4801	4659
83 CHEVY CELEBRITY			
Sdn	4312	4355	4226
82 CHEVY CELEBRITY			
Sdn	3546	3582	3476
83 CHEVY CAVALIER			
Sdn	3530	3566	3459
82 CHEVY CAVALIER			
Sdn	2650	2676	2598
83 CHEVY CITATION			
Cpe 6	2697	2724	2643
82 CHEVY CITATION			
Cpe 6	2088	2109	2175
83 CHEVY MALIBU			
Clas Sdn	4009	4048	3928
Clas Sta Wgn	4174	4215	4091
82 CHEVY MALIBU			
Clas Sdn	3350	3383	3283
Clas Sta Wgn	3498	3533	3428
83 CHEVY MONTE CARLO			
Cpe	5123	5174	5020
82 CHEVY MONTE CARLO			
Cpe	4194	4235	4110
83 CHEVY IMPALA			
Sdn	4485	4530	4396
82 CHEVY IMPALA			
Sdn	3531	3567	3460
Wgn 9	3671	3708	3598
83 CHEVY CAPRICE			
Sdn	5100	5152	4999
Sta Wgn	5277	5330	5172
83 CHRYSLER			
E-Class Sdn	4235	4277	4152
82 CHRYSLER			
New Yorker Sdn	5099	5151	4998
83 DODGE OMNI			
4 Dr Cust	2545	2571	2493
82 DODGE OMNI			
4 Dr Cust	1915	1934	1871
83 DODGE ARIES			
Cpe	2917	2946	2859
82 DODGE ARIES			
Sdn	2231	2254	2188
83 DODGE DIPLOMAT			
Sln Sdn	3517	3553	3447
82 DODGE DIPLOMAT			
Sln Sdn	2825	2853	2768
83 FORD FAIRMONT			
Futura 6-Cyl Sdn 4 Dr	2667	2692	2613
82 FORD FAIRMONT			
Futura Sdn 4 Dr	2400	2423	2351
83 FORD MUSTANG			
L-Cpe 4	3613	3649	3540
82 FORD MUSTANG			
L-Cpe 4	2861	2889	2804
83 FORD LTD			
Sdn	3488	3523	3419
82 FORD LTD			
Sdn	3598	3634	3525
83 FORD ESCORT			
Htchbk 4 Dr	2521	2548	2471
83 FORD CROWN VIC			
Sdn	5716	5773	5602
82 FORD CROWN VIC			
Sdn	4258	4302	4174
83 FORD THUNDERBIRD			
Cpe	5330	5386	5226
82 FORD THUNDERBIRD			
Cpe	4073	4113	3993
83 LINCOLN CONTINENTAL			
Sdn	10259	10363	10054
Mark VI Cpe	10439	10544	10230
82 LINCOLN CONTINENTAL			
Sdn	8178	8259	8015
Mark VI Cpe	8428	8513	8260
83 MERCURY COUGAR			
Cpe	5426	5479	5317
82 MERCURY COUGAR			
GS Cpe	2919	2948	2860
83 MERCURY LYNX			
HtchBk 2-Dr	2485	2510	2435
83 MERCURY MARQUIS			
Sdn	3529	3564	3459
82 MERCURY MARQUIS			
Sdn	3871	3909	3794
Wgn-2S	3993	4033	3912
83 OLDS CIERA LS			
Cpe	4760	4808	4666
Sdn	4819	4868	4722
83 OLDS CUTLASS SUPREME			
Cpe	5359	5413	5252
Sdn	5210	5260	5105
82 OLDS CUTLASS SUPREME			
Sdn	4382	4426	4294
Cpe	4552	4598	4461
83 OLDS DELTA 88			
Sdn	5046	5097	4945
82 OLDS DELTA 88			
Sdn	3793	3830	3717
83 OLDS DELTA 98			
Sdn	6961	7031	6821
82 OLDS DELTA 98			
Sdn	5603	5660	5490
83 OLDS OMEGA			
Sdn	3501	3537	3432
82 OLDS OMEGA			
Sdn	2856	2884	2798
83 OLDS FIRENZA			
Sdn	3857	3896	3781
82 OLDS FIRENZA			
Sdn	3138	3169	3074
83 PLYMOUTH HORIZON			
4 Dr Htchbk	2477	2501	2426
83 PLYMOUTH RELIANT			
Cpe	2926	2956	2867
82 PLYMOUTH RELIANT			
Cpe	2224	2246	2180
83 PONTIAC FIREBIRD			
Cpe 8	5515	5570	5405
83 PONTIAC 6000			
Cpe	4444	4487	4354
Sdn	4504	4549	4415
82 PONTIAC 6000			
Cpe	3711	3747	3636
83 PONTIAC GRAND PRIX			
Cpe	5284	5338	5180
83 VOLKSWAGEN JETTA			
4 Dr Sdn	4420	4462	4376
82 VOLKSWAGEN JETTA			
4 Dr Sdn	3729	3767	3693
83 VOLKSWAGEN L SERIES			
2 Dr Htchbk	3279	3268	3203
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	2474	2497	2448
83 DATSUN			
Sentra 2 Dr Std Sdn	2788	2816	2760
Stanza Hbk 4 Dr Dlx	3800	3837	3761
82 DATSUN			
210 Std 2 Dr	2010	2031	1992
Sentra 2 Dr	2277	2300	2256
Stanza Hbk 4 Dr Dlx	3097	3129	3066
83 TOYOTA			
Corolla Sedan 2 Dr	3476	3511	3441
Celica St	4975	5026	4927
Camry Sedan	5650	5708	5595
82 TOYOTA			
Corolla 2 Dr Sdn	2795	2823	2767
Celica St Cpe	4062	4103	4020

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GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Juneau, AK	148.5	125.3
Phoenix, AZ	137.6	96.6
Van Nuys, CA	129.9	89.9
Colorado Springs, CO	112.9	91.9
Washington, D.C.	134.4	92.7
Miami, FL	114.6	84.7
Des Moines, IA	133.0	83.0
Hutchinson, KS	99.4	75.4
St. Louis, MO	107.2	78.1
Raleigh, NC	117.4	83.4
Albany, NY	104.9	87.4
Canton, OH	95.9	78.4
Philadelphia, PA	104.9	85.4
Nashville, TN	123.2	89.2
San Antonio, TX	102.9	73.9

Survey conducted during the first five working days of July 1986.
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september 1986

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automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

Toyota Targets Fleet

Van Conversions

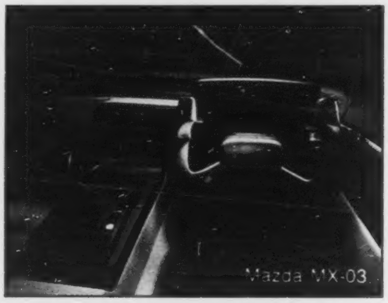
Managing the Small Fleet

Fleet Round Table:
ITC/Incentives/Used Cars

automotive
FLEET
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

SEPTEMBER 1986
VOL. 25, NO. 11

Influencing the management of 4,584,000 cars and 1,970,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.



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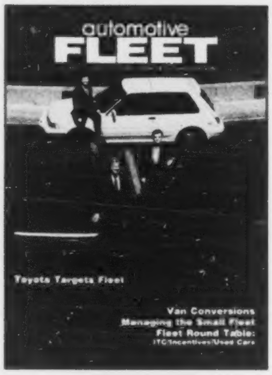

On the cover: Looking to greater fleet opportunities for Toyota Motor Sales, U.S.A., are, front to rear, Toyota Senior Vice President Bob McCurry, his hand on the '87 Tercel; James Perkins, group vice president of sales, marketing, distribution and product planning, with the '87 Camry, and National Fleet and Truck Manager Don Esmond, with the '87 Corolla FX16.

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Helen Bland, president of the National Association of Fleet Administrators, presents NAFA's Distinguished Service Award to Deputy Chief I.B. Pickett of the New Mexico State Police. Also chairman of NAFA's Law Enforcement Group, Deputy Chief Pickett received the award for his exceptional contributions to the profession of fleet vehicle management. Pickett, an active member of NAFA and a staunch supporter of the Law Enforcement Group, has led that group of some 200 law officers for the past five years. Each year, the group holds a seminar/workshop at various cities around the country where participants exchange information and discuss common problems. The most recent such conference was held last month in Charleston, SC.

AUCTION MERGER CALLED OFF

Months of speculation about the proposed merger of the nation's two largest auto auctions ended recently when negotiations were terminated between Atlanta-based Cox Enterprises, the parent of Manheim Auctions, and The British Car Auction Group plc. The merger, which was to have been completed early last month, would have united Manheim and Nashville-based Anglo American Auto Auctions, whose parent, Sandgate Corp., is owned in part by BCA. Anglo operates 12 auto auctions, Manheim 17.

Earlier this year, Manheim had agreed in principle to purchase BCA's 73 percent of Sandgate, as well as the remaining 27 percent from private stockholders. The price was set at $18 a share. According to Anglo President Michael Richardson, complications developed when Cox insisted the two purchases be intertwined. When BCA refused to unscramble them, however, the $18 a share was no longer deemed a fair price.

"We had a very good third quarter," Richardson told *Automotive News*. "In fact, it was so good, it drove the stock price up to 19-and-one-half." At that point, Richardson added, he began to sense the deal might not go through.

Said Manheim's president, Warren Young: "We developed a very high regard for Anglo American... a merger would have been beneficial to the entire auto auction industry."

While Young added that he was "very disappointed" with the outcome, Richardson said he experienced "an enormous feeling of relief."

INSURANCE PROFITABILITY

Underwriting commercial automobile insurance policies has been less profitable for insurance companies in recent years than underwriting private passenger policies, a new study shows.

According to Runzheimer International, an analysis of total industry performance reveals that between 1981 and 1984, commercial auto insurance "loss ratios" rose from 80.74 to 99.48. During the same four-year period, private passenger loss ratios rose from 80.51 to only 83.44.

(Loss ratios reveal losses on claims as a percent of premiums written. A ratio of 100 indicates no loss and no gain — therefore, zero profitability. A ratio below 100 indicates a positive cash flow. A ratio above 100 indicates that claim payouts are greater than premiums taken in — thus, a net loss.)

During 1985, a return to greater profitability was evidenced by an industry-wide loss ratio for commer-

TOTAL INDUSTRY LOSS RATIOS FOR AUTOMOBILE INSURANCE PREMIUMS

	Private Passenger	Year to Year Change	Commercial	Year to Year Change
1981	80.51	—	80.74	—
1982	82.04	+ 1.53	86.56	+ 5.82
1983	80.49	– 1.55	89.97	+ 3.41
1984	83.44	+ 2.95	99.48	+ 9.51
1985	85.93	+ 2.49	91.81	– 7.67

cial automobile insurance rates of 91.81.

"It is obvious that insurance companies, faced with a net loss situation, made some drastic changes in premiums," says Wouter Van De Bunt, Runzheimer corporate vice president. "To stem the claim payouts they have been forced to make on many policies, they sharply increased premiums, or in some cases dropped coverage altogether for high-risk clients.

"As a result, many corporations are faced with greatly reduced coverage for their automotive fleets, much higher insurance premiums, or a combination of the two."

In other insurance news, the Senate okayed a bill that would make it easier for business and professional groups to self-insure for liability coverage. A House subcommittee is considering similar legislation. Auto dealers, leasing companies, and fleet operators have expressed interest in setting up self-insurance groups as a partial remedy to the current shortage of affordable liability insurance.

NEW DEPRECIATION STUDY

The Motor Vehicle Depreciation Coalition lobbied House-Senate tax conferees for three-year vehicle depreciation for both regular and minimum tax purposes with a new study of the issue by Frank Wycoff, a California economics professor and former consultant to the U.S. Treasury Department.

In his study, Wycoff maintained that a five-year recovery for business vehicles — as advocated in the House version of tax reform — is actually punitive to business users. Wycoff's most important finding was that the actual economic depreciation of business cars is very fast in the first 18 months. Such cars are driven an average of 27,000 miles a year — 70 percent more than the household average for new cars.

"Overtaxation of economic income is fundamentally wrong and should be corrected," said the American Automotive Leasing Association, a member of the Coalition, in releasing information about the Wycoff study. "In addition, failure to provide an incentive depreciation schedule for business-use vehicles will injure domestic new car manufacturers more than foreign car manufacturers."

NHTSA SAYS AIR BAGS WORK FINE

The National Highway Traffic Safety Administration is reporting excellent results for the 1983- and '84-model fleets of driver-only air-bag cars it has monitored through the first quarter of '86. Among the bag-equipped vehicles NHTSA is looking at are 5,000 '85 Ford Tem-

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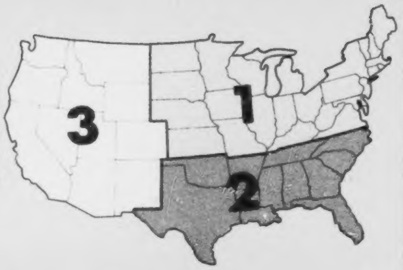
USED CARS

The following are average car prices ending August 6, 1986. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone 3**
83 AMC ALLIANCE			
Sdn 4 Dr L Series	2687	2715	2660
83 AMC CONCORD			
Sdn	2932	2961	2903
Sta Wgn	3097	3127	3065
83 BUICK SKYLARK			
Sdn Custom	3431	3467	3396
82 BUICK SKYLARK			
Sdn	2799	2825	2768
83 BUICK REGAL			
Sdn	4894	4944	4843
Cpe	5034	5086	4982
82 BUICK REGAL			
Turbo Cpe	4413	4455	4367
Cpe	4272	4313	4229
83 BUICK CENTURY			
Sdn Custom	4790	4836	4744
82 BUICK CENTURY			
Sdn Custom	4056	4095	4015
83 CADILLAC			
Cpe DeVille	7990	8069	7911
Sdn DeVille	7943	8027	7864
82 CADILLAC			
Cpe DeVille	6416	6478	6351
Sdn DeVille	6371	6436	6307
83 CHEVY			
Chvt Htchbk 4 Dr	2182	2202	2159
Camaro Cpe 8	5431	5485	5379
82 CHEVY			
Chvt Htchbk 4 Dr	1549	1565	1534
Camaro Cpe 8	4672	4721	4626
83 CHEVY CELEBRITY			
Sdn	4260	4303	4218
82 CHEVY CELEBRITY			
Sdn	3517	3551	3482
83 CHEVY CAVALIER			
Sdn	3478	3514	3444
82 CHEVY CAVALIER			
Sdn	2371	2393	2346
83 CHEVY CITATION			
Cpe 6	2643	2669	2615
82 CHEVY CITATION			
Cpe 6	2046	2067	2027
83 CHEVY MALIBU			
Clas Sdn	3949	3988	3910
Clas Sta Wgn	4111	4151	4071
82 CHEVY MALIBU			
Clas Sdn	3293	3328	2261
Clas Sta Wgn	3439	3472	3403
83 CHEVY MONTE CARLO			
Cpe	5072	5351	5021
82 CHEVY MONTE CARLO			
Cpe	4131	4170	4087
83 CHEVY IMPALA			
Sdn	4450	4493	4405
82 CHEVY IMPALA			
Sdn	3481	3518	3449
Wgn 9	3583	3617	3547
83 CHEVY CAPRICE			
Sdn	5060	5112	5011
Sta Wgn	5235	5288	5184
83 CHRYSLER			
E-Class Sdn	4193	4236	4150
82 CHRYSLER			
New Yorker Sdn	5049	5098	4999
83 DODGE OMNI			
4 Dr Cust	2502	2527	2477
82 DODGE OMNI			
4 Dr Cust	1877	1894	1857
83 DODGE ARIES			
Cpe	2859	2890	2830
82 DODGE ARIES			
Sdn	2176	2196	2155
83 DODGE DIPLOMAT			
Sln Sdn	3458	3491	3422
82 DODGE DIPLOMAT			
Sln Sdn	2769	2795	2741
83 FORD FAIRMONT			
Futura 6-Cyl Sdn 4 Dr	2654	2678	2627
82 FORD FAIRMONT			
Futura Sdn 4 Dr	2376	2398	2350
83 FORD MUSTANG			
L-Cpe 4	3577	3612	3540
82 FORD MUSTANG			
L-Cpe 4	2827	2854	2798
83 FORD LTD			
Sdn	3418	3453	3383
82 FORD LTD			
Sdn	2996	3027	3967
83 FORD ESCORT			
Htchbk 4 Dr	2484	2506	2458
83 FORD CROWN VIC			
Sdn	5676	5732	5623
82 FORD CROWN VIC			
Sdn	3544	3579	3512
83 FORD THUNDERBIRD			
Cpe	5279	5333	5226
82 FORD THUNDERBIRD			
Cpe	4012	4052	3971
83 LINCOLN CONTINENTAL			
Sdn	10126	10228	10026
Mark VI Cpe	10304	10408	10200
82 LINCOLN CONTINENTAL			
Sdn	8056	8134	7976
Mark VI Cpe	8302	8383	8219
83 MERCURY COUGAR			
Cpe	5372	5424	5316
82 MERCURY COUGAR			
GS Cpe	2861	2890	2831
83 MERCURY LYNX			
HtchBk 2-Dr	2448	2472	2422
83 MERCURY MARQUIS			
Sdn	3459	3493	3425
82 MERCURY MARQUIS			
Sdn	3833	3871	3796
Wgn-2S	3953	3993	3913
83 OLDS CIERA LS			
Cpe	4722	4770	4674
Sdn	4781	4830	4735
83 OLDS CUTLASS SUPREME			
Cpe	5327	5381	5274
Sdn	5178	5229	5129
82 OLDS CUTLASS SUPREME			
Sdn	4329	4374	4287
Cpe	4497	4545	4454
83 OLDS DELTA 88			
Sdn	4996	5046	4945
82 OLDS DELTA 88			
Sdn	5114	5166	5063
83 OLDS DELTA 98			
Sdn	6891	6961	6823
82 OLDS DELTA 98			
Sdn	5547	5602	5489
83 OLDS OMEGA			
Sdn	3431	3467	3396
82 OLDS OMEGA			
Sdn	2799	2825	2768
83 OLDS FIRENZA			
Sdn	3826	3866	3789
82 OLDS FIRENZA			
Sdn	3113	3143	3082
83 PLYMOUTH HORIZON			
4 Dr Htchbk	2435	2459	2408
83 PLYMOUTH RELIANT			
Cpe	2868	2897	2839
82 PLYMOUTH RELIANT			
Cpe	2169	2188	2148
83 PONTIAC FIREBIRD			
Cpe 8	5460	5514	5407
83 PONTIAC 6000			
Cpe	4378	4421	4331
Sdn	4437	4480	4390
82 PONTIAC 6000			
Cpe	3656	3692	3618
83 PONTIAC GRAND PRIX			
Cpe	5232	5283	5182
83 VOLKSWAGEN JETTA			
4 Dr Sdn	4332	4373	4288
82 VOLKSWAGEN JETTA			
4 Dr Sdn	3563	3599	3529
83 VOLKSWAGEN L SERIES			
2 Dr Htchbk	3172	3203	3139
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	2400	2422	2375
83 DATSUN			
Sentra 2 Dr Std Sdn	2676	2703	2650
Stanza Hbk 4 Dr Dlx	3686	3722	3648
82 DATSUN			
210 Std 2 Dr	1930	1950	1912
Sentra 2 Dr	2186	2208	2166
Stanza Hbk 4 Dr Dlx	2973	3004	2943
83 TOYOTA			
Corolla Sedan 2 Dr	3389	3423	3355
Celica St	4851	4900	4804
Camry Sedan	5509	5565	5545
82 TOYOTA			
Corolla 2 Dr Sdn	2683	2710	2656
Celica St Cpe	3960	4000	3919

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GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Little Rock, AR	117.5	73.4
San Francisco, CA	117.7	84.0
Denver, CO	112.3	80.8
Pensacola, FL	113.9	74.9
Atlanta, GA	107.7	77.6
Lafayette, IN	85.9	67.9
Worchester, MA	88.4	69.9
Kalamazoo, MI	123.9	84.4
Springfield, MO	92.9	89.4
Gulfport, MS	122.9	75.2
Las Vegas, NM	96.9	89.4
Staten Island, NY	104.2	96.4
Dayton, OH	114.2	66.4
Charleston, SC	128.4	80.4
Bellaire, TX	109.9	64.9

Survey conducted during the first five working days of August 1986.
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october 1986

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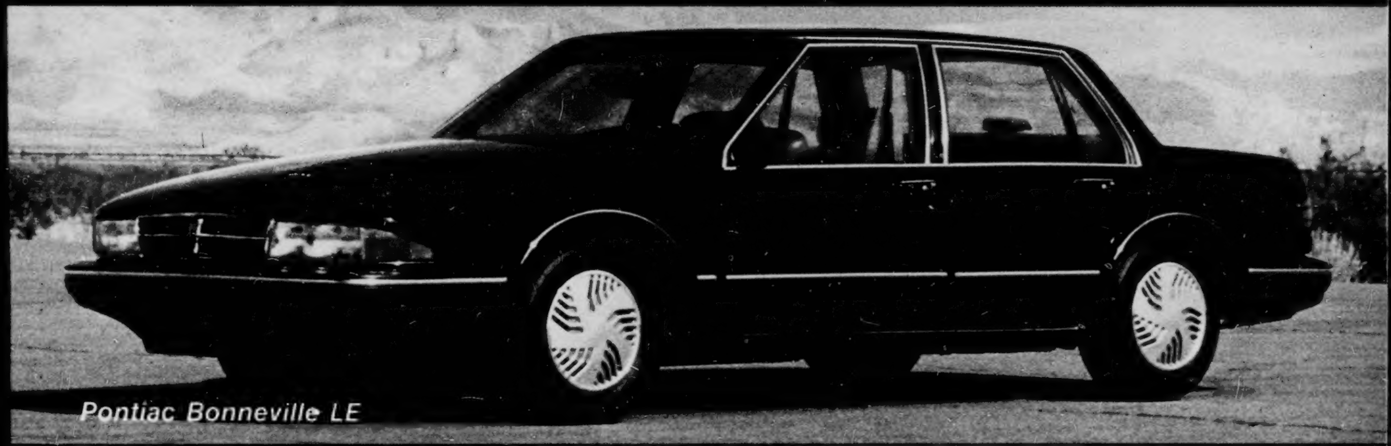
automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

Renault GTA



Pontiac Bonneville LE

Ford F-150

Used Marketing

CFM at Crossroads

Models

automotive
FLEET
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

OCTOBER 1986
VOL. 25, NO. 12

Influencing the management of
4,584,000 cars and 1,970,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.

p. 28

p. 44

On the cover: The '87s are arriving. A sampling of some of this year's new models appears on our front cover. Pictured from top to bottom are the Renault GTA, Pontiac Bonneville LE, and the Ford F-150.

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the rules prior to Oct. 17 by writing to Richard L. Cleland, Assistant Attorney General, Department of Justice, Hoover Building, Des Moines, IA 50319. Those wishing to appear at the hearing should contact Cleland at (515) 281-5926 by Oct. 15.

COPING WITH DRIVERS IN DOWNSIZED CARS

Fleet managers are most likely to counter driver discontent over downsized vehicles by upgrading the car model or adding accessories. Such was the conclusion of the latest survey of 308 U.S. and Canadian fleet managers by *Runzheimer Reports on Transportation*, the industry newsletter.

When fleet executives were asked, "How do you deal with driver discontent over downsizing?", 25 percent advised "upgrade model/add accessories."

"Give them the choice of more company-paid options," one manager responded. "Add comfort options such as tilt wheel and power seats." Said another: "Don't buy bottom-line cars. Improve accessories. AM/FM radios do wonders for a complainer."

Eighteen percent of respondents advised appealing to reason by "justifying the cost" to drivers by informing them of the economic benefits to the company. For nine percent of respondents, a fair, firmly-enforced policy and the support of top management are essential to a fleet downsizing program. Other advice included "blame the manufacturers" (eight percent); "offer employee ownership" (six

Fleet Managers' Advice on How to Deal with Driver Discontent Over Downsizing

Response	Percent*
Upgrade model/Add accessories	25%
Justify cost to drivers	18%
Educate drivers on the need	9%
Gain top management support/ Establish clear policy	9%
Explain the inevitability/ Blame the manufacturers	8%
Offer employee-ownership	6%
Explain relationship to compensation and job security	5%
Emphasize the positives, such as unibody safety and ease of handling	4%
Involve drivers prior to downsizing/ Develop a selector list	3%
Downsize gradually	2%
Explain tax benefit/personal use chargeback reduction	2%
Instruct driver that fleet car is a tool	2%
Don't downsize	2%
No problems/No advice	4%
Miscellaneous	17%

* Total exceeds 100% because of multiple answers

Source: Runzheimer Reports on Transportation

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Circle 108 on Inquiry Card

percent), and "explain the relationship between downsizing and job security" (five percent).

"It is obvious that fleet managers are using both the carrot and the stick to accomplish a smooth transition," says Adlore Chaudlier, executive editor at *Runzheimer Reports on Transportation*. "First they upgrade accessories, then they mention job security."

FORD AUCTION SETS THREE RECORDS

The biggest Ford factory sale ever has put Lakeland Auto Auction in the record books.

The Florida dealer auction facility offered a record Ford/Lincoln-Mercury consignment of 647 units, and sold all 647 (a 100 percent sale), also a record. As a result, the net check to Ford established a third record of $8.9 million.

The sale featured a volume offering of 504 Lincoln Town Cars, all of which sold.

Lakeland Auto Auction is one of 17 auto auctions operated in North America and Canada by Manheim Auctions, Inc. of Atlanta, a subsidiary of Cox Enterprises, also of Atlanta.

VW FLEET PLAN

Volkswagen of America has updated its full-year fleet program for the Golf and Jetta in 1987, the first year the Troy, MI-based automaker has offered such a program.

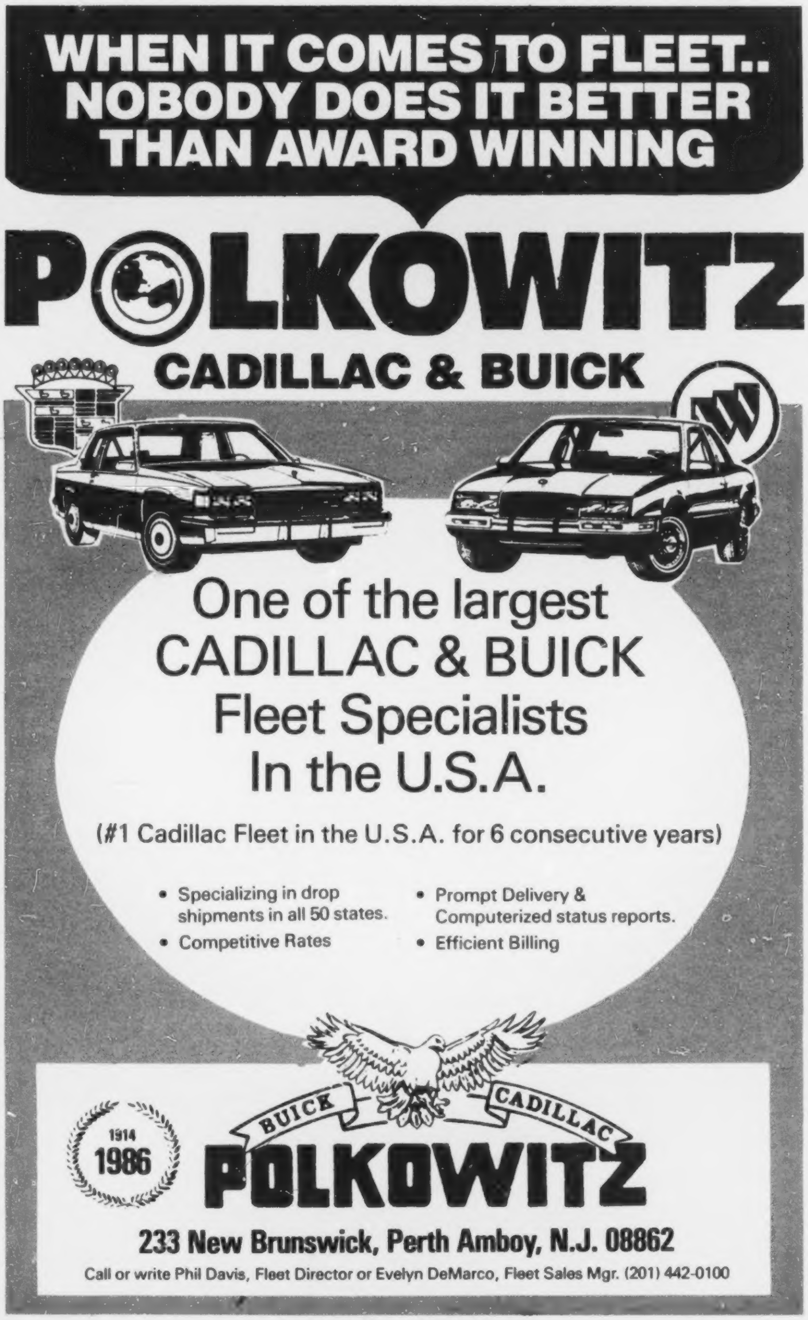
For the Golf GL model, VW will offer free air conditioning on all eligible GL fleet purchases. Standard features on the model include rack and pinion steering, front wheel drive, power-assisted front disc brakes, choice of gas or diesel power, tinted glass, and fully reclining front bucket seats with adjustable headrests. Also standard is a two-year unlimited mileage protection plan (fully transferable), as well as a six-year corrosion perforation limited warranty (also transferable).

The two-year plan and six-year warranty are also offered for the Jetta, which will feature increased fleet availability in 1987. Standard features on all eligible Jetta fleet purchases include tinted glass, fully reclining front bucket seats with adjustable headrests, and an illuminated luggage compartment with floor carpeting and black PVC side panels.

Circle 218 on Inquiry Card

AAA SAYS DRIVING COSTS HOLD STEADY

With lower fuel prices offset by higher costs for insurance, depreciation, and maintenance, the American Automobile Association says the cost of owning and operating a car in 1986 will average nearly 23.2 cents per mile — the same as in 1985.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Medium gray leapt from nowhere to become Number One for full-size and intermediate cars, while red topped compacts and white led the light-truck field. That's DuPont's latest line on the increasingly important subject of vehicle color.

Cars and Colors

Bob Rauschenberg of Dart & Kraft Financial believes the right one can add up to $500 to the residual value of a fleet car. Manheim Auctions' Jack Charlesworth thinks its value could be twice that — if the vehicle's an expensive import. Tom Harris of the National Association of Fleet Resale Dealers warns that it will vary in popularity from region to region. And the DuPont Co.'s Robert Daily states that, in 1985, red, white, and medium gray were the most popular on U.S. cars and trucks.

They're all talking about vehicle color, a decision fleet managers face upon acquisition that can have a very real impact when cars and trucks are sold. "We spend a lot of time with our customers advising them on those things that can affect resale value," says Rauschenberg, director of used vehicle marketing for Dart & Kraft's Vehicle Management Group. "A major factor, of course, is what they buy in the first place. Color is a big factor."

Charlesworth, director of fleet management marketing for Manheim, the nation's largest chain of auto auctions, agrees. "Both exterior and interior color make a big difference at resale time," Charlesworth says. "That's especially true with fleets."

According to these experts, fleets whose vehicles are painted a variety of single colors — rather than all just one shade — should fare best in the used-car market. More sedate colors might be smartest for larger cars. And brighter hues could be wisest for smaller, sportier models.

"It's really a question of mix and variety, though," Charlesworth cautions. "All colors will sell under the proper circumstances. It depends on the area, the type of car, and the price." While the color of a Chevette or an Escort may have minimal affect on disposal price, he adds, a sporty Mercedes painted red could bring up to $1,000 more than a black one in comparable condition.

On the West coast, Tom Harris points out, dark grays, burgundies, chocolate browns, and cream/ yellows are good colors for resale. Colors Harris says to stay away from in that area: light metallic blues, blacks, and "any kind of green."

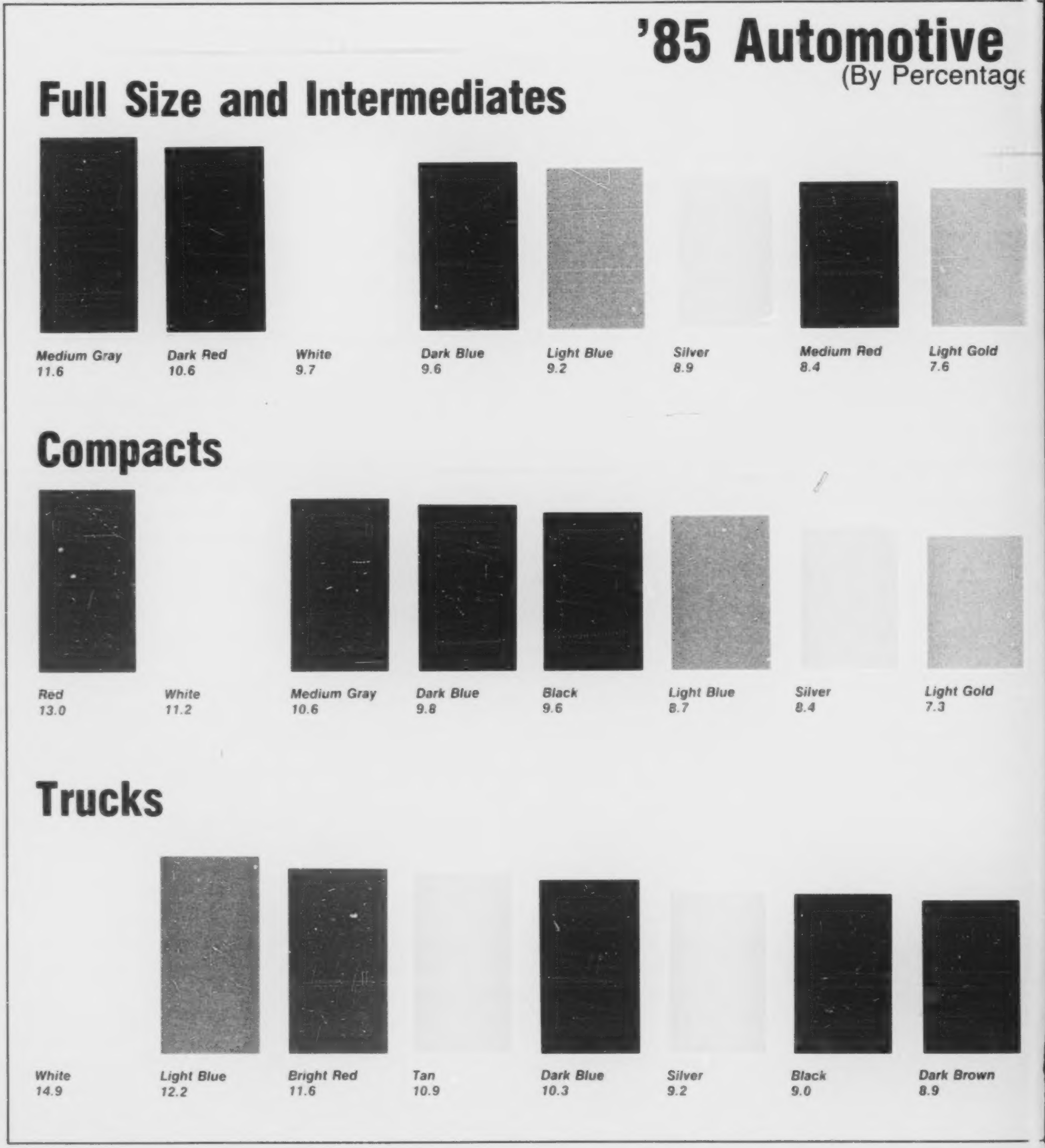
Harris' choices, to a certain extent, are reflected in DuPont's latest "Automotive Color Popularity" chart. Covering the 1985 model year, that chart shows medium gray vaulting from out of nowhere to become the year's most popular color for full size and intermediate cars, garnering 11.6 percent of that category. Medium gray also established a solid third place for compacts, with 10.6 percent.

"This color last appeared in 1980 as a minor choice," says Robert Daily, manager-color marketing for DuPont's finishes and fabricated products department. "It rose so rapidly primarily because '85 was the first year that Ford and General Motors offered it in any depth across their car lines. It was the right color at the right time, a reflection of consumer preference for 'elegance' and 'sophistication.' "

Reds similarly rose in popularity during 1985, dark red jumping to second place with 10.6 percent among full size/intermediates (from seventh place in '84); medium red, meanwhile, leapt from nowhere into seventh place, with 8.4 percent. Medium red also took ninth place among compact cars with 5 percent in '85, while red topped that category with 13 percent, up from 9.7 percent and a fifth place finish the year before.

"The...increased popularity of reds in both passenger car categories indicates important changes in the color selections of the American consumer..." Daily comments. "With the new base coat/clear coat (bc/cc) auto painting process, we're now able to make colors that are more saturated, clearer, more vibrant." (See article titled "Changing Colors" in the May 1986 issue of *Automotive Fleet*.)

Among light- and medium-duty trucks, white and light blue continued to dominate domestic production in '85, registering 14.9 percent and 12.2 percent, respectively.



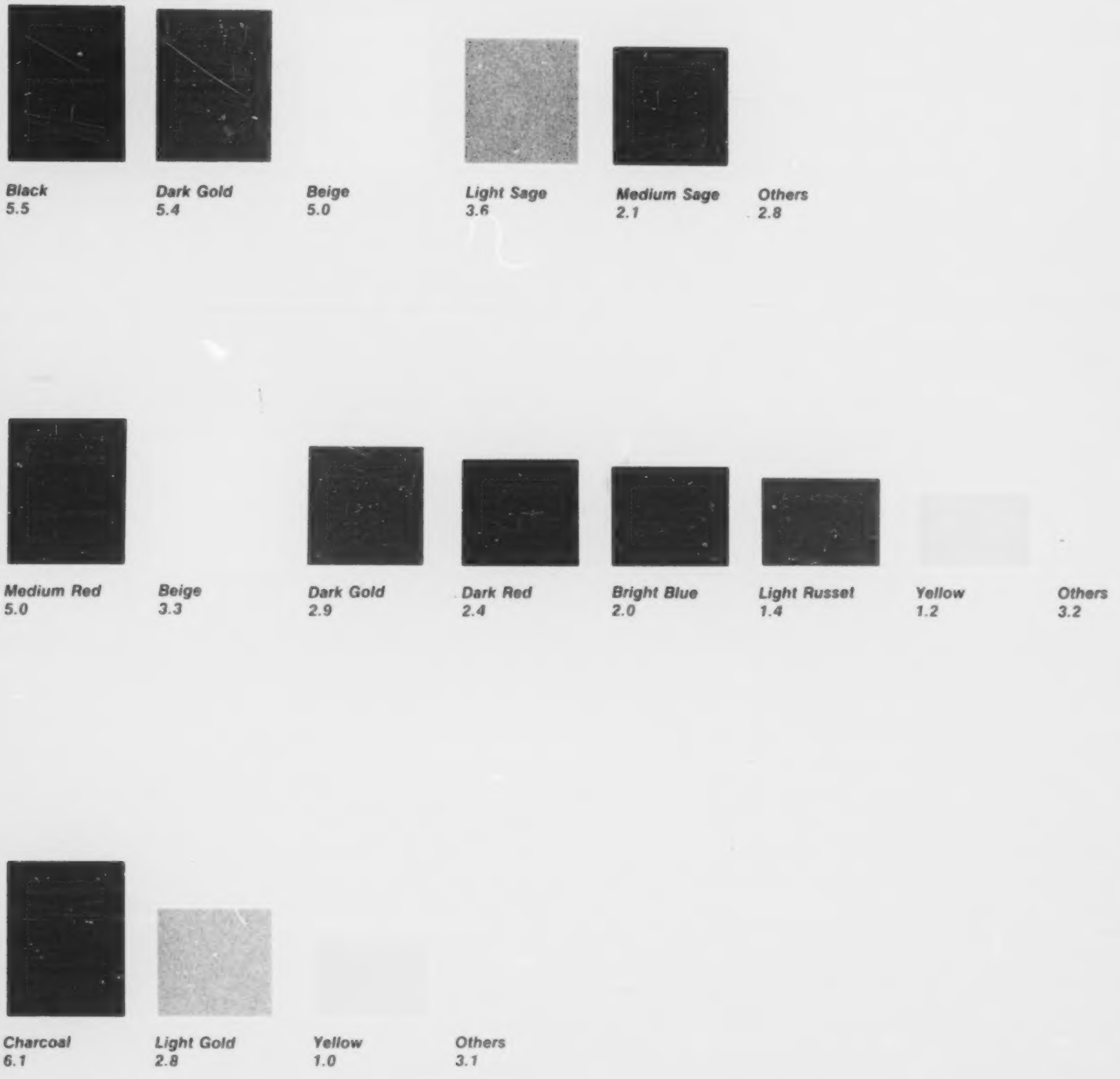
Looking closer at the Top Five colors in each category, we find that white fell from second place in '84 to third in '85 among full size and intermediate cars, its share shrinking from 12.6 to 9.7 percent. Dark blue also dropped from third to fourth, with 9.6 percent, compared to 12.4 in '84. Fifth place light blue also fell one notch, though its "share of market" rose from 9.0 to 9.2.

Among compacts, white continued in second place with 11.2 percent (down from 11.5 in '84); dark blue stayed fourth (its percentage remaining at 9.8), and black finished fifth with 9.6 percent (up from 5.3 percent and a ninth place finish in '84).

Among trucks, first-place white was down from 15.1 the year before, while light blue dropped from 14.2. Bright red finished third with 11.6, up from 10.2 and fifth place in '84. Tan's 10.9 percent was good

Color Popularity

of Popularity)



for fourth place (up from 9.1 and sixth a year earlier); dark blue, formerly unranked, came in fifth with 10.3 percent.

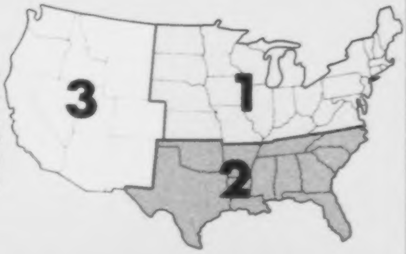
Interestingly, the first-place color in both car categories in 1984 — light-red brown — failed to finish among the top colors in '85 at all. Does that say anything about the fickleness of today's auto buyer?

"It's hard to say," Daily ventures. "But I do know that color preferences are cyclical...and that we're all much more color-conscious than ever before."

Daily's also said that colors being worn in Paris, London, and New York high-fashion circles are likely to become the "in" vehicle colors two to three years from now. A glance at the fashion magazines shows that this month, at least, those colors are running to reds, earth tones, and grays.

USED CARS

The following are average car prices ending September 17, 1986. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



Model	AVERAGE AUCTION PRICE Zone 1	Zone 2	Zone 3
83 AMC ALLIANCE			
Sdn 4 Dr L Series	2594	2621	2568
83 AMC CONCORD			
Sdn	2831	2858	2802
Sta Wgn	2989	3019	2959
83 BUICK SKYLARK			
Sdn Custom	3329	3364	3295
82 BUICK SKYLARK			
Sdn	2716	2741	2686
83 BUICK REGAL			
Sdn	4821	4870	4771
Cpe	4959	5011	4907
82 BUICK REGAL			
Turbo Cpe	4334	4376	4285
Cpe	4196	4235	4153
83 BUICK CENTURY			
Sdn Custom	4704	4750	4659
82 BUICK CENTURY			
Sdn Custom	3955	3994	3915
83 CADILLAC			
Cpe DeVille	7831	7909	7754
Sdn DeVille	7785	7868	7707
82 CADILLAC			
Cpe DeVille	6257	6318	6193
Sdn DeVille	6213	6277	6150
83 CHEVY			
Chvt Htchbk 4 Dr	1930	1947	1911
Camaro Cpe 8	5350	5404	5299
82 CHEVY			
Chvt Htchbk 4 Dr	1650	1666	1635
Camaro Cpe 8	4602	4650	4557
83 CHEVY CELEBRITY			
Sdn	4188	4230	4147
82 CHEVY CELEBRITY			
Sdn	3440	3475	3407
83 CHEVY CAVALIER			
Sdn	3385	3420	3352
82 CHEVY CAVALIER			
Sdn	2296	2317	2272
83 CHEVY CITATION			
Cpe 6	2666	2692	2642
82 CHEVY CITATION			
Cpe 6	1976	1996	1957
83 CHEVY MALIBU			
Clas Sdn	3882	3920	3044
Clas Sta Wgn	4042	4080	4003
82 CHEVY MALIBU			
Clas Sdn	3215	3249	3183
Clas Sta Wgn	3357	3390	3321
83 CHEVY MONTE CARLO			
Cpe	4997	5045	4946
82 CHEVY MONTE CARLO			
Cpe	3410	3447	3375
83 CHEVY IMPALA			
Sdn	4397	4440	4352
82 CHEVY IMPALA			
Sdn	3416	3451	3384
Wgn 9	3551	3590	3517
83 CHEVY CAPRICE			
Sdn	5000	5051	4951
Sta Wgn	5173	5225	5122
83 CHRYSLER			
E-Class Sdn	4138	4181	4096
82 CHRYSLER			
New Yorker Sdn	5325	5379	5272
83 DODGE OMNI			
4 Dr Cust	2427	2452	2403
82 DODGE OMNI			
4 Dr Cust	1817	1834	1799
83 DODGE ARIES			
Cpe	2783	2813	2754
82 DODGE ARIES			
Sdn	2107	2127	2086
83 DODGE DIPLOMAT			
Sln Sdn	3383	3415	3347
82 DODGE DIPLOMAT			
Sln Sdn	2700	2725	2673
83 FORD FAIRMONT			
Futura 6-Cyl Sdn 4 Dr	2954	2984	2924
82 FORD FAIRMONT			
Futura Sdn 4 Dr	2312	2333	2287
83 FORD MUSTANG			
L-Cpe 4	3523	3558	3486
82 FORD MUSTANG			
L-Cpe 4	2779	2806	2751
83 FORD LTD			
Sdn	3343	3378	3309
82 FORD LTD			
Sdn	3476	3511	3446
83 FORD ESCORT			
Htchbk 4 Dr	2418	2439	2393
83 FORD CROWN VIC			
Sdn	5637	5692	5584
82 FORD CROWN VIC			
Sdn	4116	4159	4075
83 FORD THUNDERBIRD			
Cpe	5216	5269	5164
82 FORD THUNDERBIRD			
Cpe	3936	3976	3896
83 LINCOLN CONTINENTAL			
Sdn	9965	10064	9866
Mark VI Cpe	10099	10201	9997
82 LINCOLN CONTINENTAL			
Sdn	6639	6706	6573
Mark VI Cpe	8112	8191	8031
83 MERCURY COUGAR			
Cpe	5307	5359	5252
82 MERCURY COUGAR			
GS Cpe	2791	2819	2761
83 MERCURY LYNX			
HtchBk 2-Dr	2383	2406	2357
83 MERCURY MARQUIS			
Sdn	3384	3417	3350
82 MERCURY MARQUIS			
Sdn	3757	3795	3720
Wgn-2S	3874	3913	3835
83 OLDS CIERA LS			
Cpe	4637	4685	4591
Sdn	4696	4744	4650
83 OLDS CUTLASS SUPREME			
Cpe	5247	5301	5195
Sdn	5101	5151	5052
82 OLDS CUTLASS SUPREME			
Sdn	4251	4296	4210
Cpe	4417	4463	4375
83 OLDS DELTA 88			
Sdn	4951	5001	4900
82 OLDS DELTA 88			
Sdn	3688	3724	3651
83 OLDS DELTA 98			
Sdn	6829	6898	6761
82 OLDS DELTA 98			
Sdn	5447	5501	5392
83 OLDS OMEGA			
Sdn	3329	3364	3295
82 OLDS OMEGA			
Sdn	2716	2741	2686
83 OLDS FIRENZA			
Sdn	3750	3790	3713
82 OLDS FIRENZA			
Sdn	3036	3064	3006
83 PLYMOUTH HORIZON			
4 Dr Htchbk	2363	2387	2336
83 PLYMOUTH RELIANT			
Cpe	2791	2820	2763
82 PLYMOUTH RELIANT			
Cpe	2100	2119	2080
83 PONTIAC FIREBIRD			
Cpe 8	5379	5432	5326
83 PONTIAC 6000			
Cpe	4313	4355	4266
Sdn	4539	4588	4495
82 PONTIAC 6000			
Cpe	3602	3637	3564
83 PONTIAC GRAND PRIX			
Cpe	5154	5205	5104
83 VOLKSWAGEN JETTA			
4 Dr Sdn	4267	4307	4224
82 VOLKSWAGEN JETTA			
4 Dr Sdn	3510	3545	3476
83 VOLKSWAGEN L SERIES			
2 Dr Htchbk	3124	3155	3092
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	2364	2386	2339
83 DATSUN			
Sentra 2 Dr Std Sdn	2605	2635	2584
Stanza Hbk 4 Dr Dlx	3594	3629	3557
82 DATSUN			
210 Std 2 Dr	1882	1901	1864
Sentra 2 Dr	2131	2153	2112
Stanza Hbk 4 Dr Dlx	2899	2929	2869
83 TOYOTA			
Corolla Sedan 2 Dr	3304	3337	3271
Celica St	4730	4777	4684
Camry Sedan	5371	5426	5315
82 TOYOTA			
Corolla 2 Dr Sdn	2616	2642	2590
Celica St Cpe	3861	3900	3821

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City	**Full-Serve**	**Self-Serve**
Birmingham, AL	116.9	79.4
Needles, CA	149.4	107.4
Tampa, FL	137.6	94.2
Augusta, GA	114.9	82.4
Chicago, IL	109.2	85.
Minneapolis, MN	128.5	92.9
Charlotte, NC	112.9	80.9
Omaha, NB	131.6	96.9
Reno, NV	127.4	106.4
Philadelphia, PA	100.8	77.7
Memphis, TN	111.2	83.9
Victoria, TX	109.9	71.9
Milwaukee, WI	113.8	86.3
Wheeling, WV	89.9	80.4
Cheyenne, WY	103.4	84.9

Survey conducted during the first five working days of September 1986. Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.